a longshoreman and studying at Brooklyn College from which he was graduated in 1956. He is a director of the Brooklyn Tuberculosis and Health Association and is president of the Maritime Port Council of Greater New York.

These men have done a commendable job in helping to safeguard the health of thousands of people employed in this very vital industry in the port of New York, of which Brooklyn is a very significant part. I am happy to congratulate them for these achievements and to extend to them my best wishes for even greater accomplishments in the future as the Brooklyn Longshoremen's Medical Center grows and expands its facilities.

SENATE

WEDNESDAY, APRIL 11, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

Rev. Aubrey L. Burbank, pastor, the Centenary Methodist Church, Skowhegan, Maine, offered the following prayer:

Most gracious God, our loving Father, we come to Thee this day in the name of Jesus Christ, Lord and Saviour of mankind.

As Thou, O God, hast given us this land for our heritage, we beseech Thee that we may always prove ourselves worthy of Thy favor and glad to do Thy will.

With humility in the recognition of our imperfections and our failure to measure up to the teachings of the Master, we would humbly pray that Thou might bless our land with such spiritual understanding as will enable us to deal with all of life's problems, free of violence, discord, and confusion. Forbid that we should think of ourselves as Thy favorites, or that we, alone, are the object of Thy concern. Let not pride, prejudice, or arrogancy characterize our age; but grant us great sympathy with all the enslaved people of the earth, in their quest for life and liberty.

Endue with the spirit of wisdom those to whom we entrust the authority of government, that through obedience to Thy law we may show forth Thy praise, Thy power, and Thy glory among all the nations of the earth. Through Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 10, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 10, 1962, the President had approved and signed the following acts:

S. 899. An act for the relief of Liu Shui Chen; and

S. 2018. An act for the relief of Robert B. Kasparek, Robert M. Kearny, Richard A. Stokes, J. R. Whitehouse, Jr., and Herbert A. Wolff, Jr.

REPORT OF RAILROAD RETIREMENT BOARD—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 277)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In compliance with the provisions of section 10(b)4 of the Railroad Retirement Act, approved June 24, 1937, and of section 12(1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1961.

JOHN F. KENNEDY.

THE WHITE HOUSE, *April 11, 1962.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Post Office and Civil Service.

(For nominations this day received, see the end of Senate proceedings.)

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittees were authorized to meet today during the session of the Senate:

The Internal Security Subcommittee of the Committee on the Judiciary.

The Permanent Subcommittee on Investigations, of the Committee on Government Operations.

The Committee on Agriculture and Forestry.

The Judiciary Committee.

On request of Mr. MANSFIELD, and by unanimous consent, the Education Subcommittee of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, the Subcommittee on Constitutional Rights of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF ACT RELATING TO REGISTER OF NAMES IN DEPARTMENT OF COMMERCE OF CERTAIN MOTOR VEHICLE DRIVERS

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend the act approved July 14, 1960, 74 Stat. 526, as amended, relating to the establishment of a register of names in the Department of Commerce of certain motor vehicle drivers (with an accompanying paper); to the Committee on Commerce.

PUBLICATION ENTITLED "STATISTICS OF ELECTRIC UTILITIES IN THE UNITED STATES, 1960, PUBLICLY OWNED"

A letter from the Chairman, Federal Power Commission, Washington, D.C., transmitting, for the information of the Senate, a copy of the publication entitled "Statistics of Electric Utilities in the United States, 1960, Publicly Owned" (with an accompanying document); to the Committee on Commerce.

DIVISION OF TRIBAL ASSETS OF PONCA TRIBE OF NATIVE AMERICANS OF NEBRASKA

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for the division of the tribal assets of the Ponca Tribe of Native Americans of Nebraska among the members of the tribe, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON BUSINESS TRANSACTED BY BANKRUPTCY COURTS

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting, pursuant to law, statistical tables reflecting the business transacted by the bankruptcy courts, for the fiscal year ended June 30, 1961 (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JORDAN, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 68. Concurrent resolution to print additional copies of hearings on the Revenue Act of 1962 (Rept. No. 1337);

S. Res. 321. Resolution to print additional copies of certain hearings entitled "Communist Threat to the United States Through the Caribbean" (Rept. No. 1338);

H. Con. Res. 25. Concurrent resolution authorizing the printing of additional copies of a veterans' benefits calculator (Rept. No. 1329);

H. Con. Res. 405. Concurrent resolution authorizing the printing of additional copies of hearings on civil defense for the Committee on Government Operations (Rept. No. 1330);

H. Con. Res. 408. Concurrent resolution authorizing the printing of the publication entitled "Our Flag" as a House document, and providing for additional copies (Rept. No. 1331);

H. Con. Res. 412. Concurrent resolution authorizing the printing of additional copies of House Report No. 1282, parts 1 and 2, 87th Congress, 1st session (Rept. No. 1332);

H. Con. Res. 414. Concurrent resolution authorizing the printing of additional copies of "Hearings Relating to H.R. 4700, To Amend Section 11 of the Subversive Activities Control Act of 1950, as Amended (the Fund for Social Analysis), 87th Congress, 1st session (Rept. No. 1333);

H. Con. Res. 416. Concurrent resolution to print as a House document the publication "Guide to Subversive Organizations and Publications" and to provide for the printing of additional copies (Rept. No. 1334);

H. Con. Res. 419. Concurrent resolution providing for additional copies of hearings on "Small Business Problems in the Poultry Industry," 87th Congress (Rept. No. 1335); and

H. Con. Res. 451. Concurrent resolution authorizing the printing of additional copies of House Document No. 218, 87th Congress, 1st session, entitled "Inaugural Addresses of the Presidents of the United States" (Rept. No. 1336).

By Mr. HOLLAND, from the Committee on Appropriations, with amendments:

H.R. 11038. An act making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 1341).

AUTHORIZATION TO PRINT AS A SENATE DOCUMENT THE "ELECTION LAW GUIDEBOOK"—REPORT OF A COMMITTEE

Mr. JORDAN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 327) authorizing the printing as a Senate document of the "Election Law Guidebook," and submitted a report (No. 1339) thereon, which report was ordered to be printed, and the resolution was placed on the calendar, as follows:

Resolved, That a revised edition of Senate Document Numbered 102 of the Eighty-sixth Congress, entitled "Election Law Guidebook," be printed as a Senate document.

TO PRINT AS A SENATE DOCUMENT THE 64TH ANNUAL REPORT OF THE NATIONAL SOCIETY OF THE DAUGHTERS OF THE AMERICAN REVOLUTION—REPORT OF A COMMITTEE

Mr. JORDAN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 328) to print the 64th Annual Report of the National Society of the Daughters of the American Revolution for the year ended March 1, 1961, as a Senate document, and submitted a report (No. 1340) thereon, which report was ordered to be printed, and the resolution was placed on the calendar, as follows:

Resolved, That the Sixty-fourth Annual Report of the National Society of the Daughters of the American Revolution for the year ended March 1, 1961, be printed, with an illustration, as a Senate document.

REPORT ENTITLED "CUBAN REFUGEE PROBLEM"—REPORT OF A COMMITTEE (S. REPT. NO. 1328)

Mr. HART, from the Committee on the Judiciary, pursuant to Senate Resolution 50, 87th Congress, 1st session, as extended, submitted a report entitled "Cuban Refugee Problem," which was ordered to be printed.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States, dated March 26, 1962, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

William B. Jones, of Maryland, to be U.S. district judge for the District of Columbia;

George Templar, of Kansas, to be U.S. district judge for the district of Kansas:

George N. Beamer, of Indiana, to be U.S. district judge for the northern district of Indiana;

John Weld Peck, of Ohio, to be U.S. district judge for the southern district of Ohio; and

Robert Shaw, of New Jersey, to be U.S. district judge for the district of New Jersey.

By Mr. KEATING, from the Committee on the Judiciary:

Oscar H. Davis, of New York, to be associate judge of the U.S. Court of Claims.

EXECUTIVE REPORT OF COMMITTEE ON THE JUDICIARY

Mr. CARROLL. Mr. President, I have an important announcement to make to the Senate. I am happy to report that the Senate Committee on the Judiciary has unanimously endorsed the nomination of Byron R. White, of Colorado, to be an Associate Justice of the Supreme Court. I make this report now in behalf of the Committee on the Judiciary.

The VICE PRESIDENT. The nomination will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIRKSEN (by request):

S. 3148. A bill to amend the Civil Service Retirement Act and the Federal Employees Health Benefits Act of 1959 so as to eliminate discrimination against married female employees; to the Committee on Post Office and Civil Service.

By Mr. YARBOROUGH:

S. 3149. A bill to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Eastern District of Texas, Marshall Division, holding court at Marshall, Tex.; to the Committee on the Judiciary.

By Mr. DODD:

S. 3150. A bill to provide that any alien brother, sister, married son, or married daughter of a citizen of the United States, who is eligible for a quota immigrant status under the provisions of section 203(a)(4) of the Immigration and Nationality Act on the basis of a petition filed with the Attorney General prior to July 1, 1961, shall be held to be a nonquota immigrant; to the Committee on the Judiciary.

(See the remarks of Mr. DODD when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG of North Dakota:

S. 3151. A bill to authorize the Secretary of Agriculture to adjust farm acreage allotments for wheat in order to correct inequities and to prevent hardships; to the Committee on Agriculture and Forestry.

By Mr. ELLENDER (for himself, Mr. LONG of Louisiana, Mr. FULBRIGHT, Mr. EASTLAND, Mr. KUCHEL, and Mr. YARBOROUGH):

S. 3152. A bill to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program; to the Committee on Agriculture and Forestry.

By Mr. ANDERSON (by request):

S. 3153. A bill to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. ANDERSON when he introduced the above bill, which appear under a separate heading.)

By Mr. RANDOLPH (for himself and Mr. BYRD of West Virginia):

S. 3154. A bill to amend Public Law 86-184, an act to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State; to the Committee on Banking and Currency.

By Mr. LONG of Hawaii:

S. 3155. A bill for the relief of Mrs. Agnes J. Wong; to the Committee on the Judiciary.

By Mr. RANDOLPH (by request):

S. 3156. A bill to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes; and

S. 3157. A bill to repeal subsection (a) of section 8 of the Public Buildings Act of 1959, limiting the area in the District of Columbia within which sites for public buildings may be acquired; to the Committee on Public Works.

By Mr. SYMINGTON (for himself and Mr. LONG of Missouri):

S. 3158. A bill authorizing construction of a bridge across the Missouri River in the vicinity of St. Joseph, Mo.; to the Committee on Public Works.

By Mr. JACKSON (by request):

S. 3159. A bill to provide for the popular election of the Governor and Government Secretary of the Virgin Islands, for the transfer to the Government of the Virigin Islands of the assets and obligations of the Virgin Islands Corporation, and for other purposes; to the Committee on Interior and Insular Affairs.

CONCURRENT RESOLUTION

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON "CONSTITUTIONAL RIGHTS OF THE MENTALLY ILL" AND "WIRETAPPING AND EAVESDROPPING LEGISLATION"

Mr. ERVIN submitted the following concurrent resolution (S. Con. Res. 69);

which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary one thousand additional copies each of parts 1 and 2 of its hearings on "Constitutional Rights of the Mentally Ill," and one thousand copies of its hearings on "Wiretapping and Eavesdropping Legislation," held by its Subcommittee on Constitutional Rights during the Eighty-seventh Congress, First Session.

RESOLUTIONS

MRS. AGNES J. WONG—REFERENCE OF BILL TO COURT OF CLAIMS

Mr. LONG of Hawaii submitted the following resolution (S. Res. 326); which was referred to the Committee on the Judiciary:

Resolved, That the bill (S. 3155) entitled "A bill for the relief of Mrs. Agnes J. Wong", now pending in the Senate, together with all accompanying papers, is hereby referred to the Court of Claims; and the Court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

AUTHORIZATION TO PRINT AS A SENATE DOCUMENT THE "ELECTION LAW GUIDEBOOK"

Mr. JORDAN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 327) authorizing the printing as a Senate document of the "Election Law Guidebook," which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. JORDAN, which appears under the heading "Reports of Committees.")

TO PRINT AS A SENATE DOCUMENT THE 64TH ANNUAL REPORT OF THE NATIONAL SOCIETY OF THE DAUGHTERS OF THE AMERICAN REVOLUTION

Mr. JORDAN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 328) to print the 64th annual report of the National Society of the Daughters of the American Revolution for the year ended March 1, 1961, as a Senate document, which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. JORDAN, which appears under the heading "Reports of Committees.")

NONQUOTA IMMIGRANT STATUS FOR CERTAIN RELATIVES OF U.S. CITIZENS

Mr. DODD. Mr. President, I introduce, for appropriate reference, a bill providing nonquota immigrant status, and consequent immediate admission to this country, for those brothers, sisters, married sons and married daughters of U.S. citizens who are eligible for immigration under the quota system on the basis of petitions filed with the Attorney General before July 1, 1961.

Under the present immigration law, the quota allotted to each country is divided into the following categories: 50 percent of the quota goes to those with urgently required skills; 30 percent goes to the parents and unmarried sons and daughters of American citizens; 20 percent goes to the spouses and unmarried sons and daughters of aliens residing in the United States. Finally, any visas not required for the first three groups go to a fourth class which consists of the brothers, sisters, and married sons and daughters of U.S. citizens.

Since the first three quota classes are almost invariably filled, an enormous backlog of prospective immigrants in the fourth class has built up in recent years.

We may say that this group of brothers and sisters and sons and daughters of American citizens are the forgotten persons of our immigration policy.

At this moment there are 137,000 Italian applicants, who have American families, waiting vainly for quota places that will never become available unless we change the law. In the same situation, there are almost 10,000 Poles; 6,300 Greeks; 2,000 Yugoslavs, and thousands of refugees from Iron Curtain countries who are desperately anxious to come to this country and join their families. Indeed, there are waiting lists of brothers, sisters, and married sons and daughters of American citizens waiting for immigration to this country in every quota area in the world. All of these who are otherwise qualified would be admitted under my bill.

There is a precedent for the policy of granting nonquota status to a large backlog of prospective immigrants. Under Public Law 87–301, which was signed by the President on September 26, 1961, nonquota status was granted to those in the second and third classes I described earlier, who were eligible for quota visas on the basis of petitions filed with the Attorney General prior to July 1, 1961. The present bill would in effect simply extend this nonquota status to the fourth class.

The incredible advances of the past generation in transportation and communications have removed many ancient barriers to the uniting of separated families. We must match these advances with an advance in our immigration policy which will remove this last barrier in uniting thousands of American families.

This is the third bill I have introduced in recent weeks to open the doors to increased immigration.

Underlying all of these bills are three convictions: We owe it to our origins as a nation and to our historic traditions to keep open "the golden door." We owe it to our own future to continue to encourage the transfusion from the Old World to the New of the talents, the insights, the skills, the creative energy, and the vigor of people of other lands; and we owe to our country the confidence and the faith that our expanding American society can continue to absorb and make a welcome place for those who seek to enjoy our blessings and carry our burdens.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The bill will be received and appropriately referred.

The bill (S. 3150) to provide that any alien brother, sister, married son, or married daughter of a citizen of the United States, who is eligible for a quota immigrant status under the provisions of section 203(a)(4) of the Immigration and Nationality Act on the basis of a petition filed with the Attorney General prior to July 1, 1961, shall be held to be a nonquota immigrant, introduced by Mr. DODD, was received, read twice by its title, and referred to the Committee on the Judiciary.

GUARANTEE TO ELECTRIC CONSUMERS IN PACIFIC NORTHWEST OF FIRST CALL ON ELECTRIC ENERGY GENERATED IN THAT REGION

Mr. ANDERSON. Mr. President, at the request of the Secretary of the Interior, I introduce, for proper reference, a bill to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority and for other purposes.

The letter of transmittal of the Secretary describes the purposes of the bill in considerable detail, and I therefore request that it be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3153) to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes, introduced by Mr. ANDERSON, by request, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The letter presented by Mr. ANDERSON is as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 9, 1962.

Hon. LYNDON JOHNSON,
President of the Senate,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill "To guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes." Enclosed also is a section-by-section analysis of the bill.

We request that this proposed bill be referred to the appropriate committee for consideration and we recommend that it be enacted.

The purpose of the bill is to assure consumers of electricity in the Pacific Northwest permanent priority to the electric power and energy now or hereafter generated at Federal plants in that region. The bill also assures consumers in other regions electrically

interconnected with the Pacific Northwest a reciprocal priority.

We do not regard the bill as inconsistent with the principle of preference and priority accorded by Federal power laws to public bodies and cooperatives. We strongly reaffirm our adherence to this principle as a cornerstone of Federal power policy. This bill recognizes the principle of preference for public bodies and cooperatives, and leaves it intact within each of the several regions to be interconnected with the Pacific Northwest. The bill does, however, meet unique problems which extra high voltage interties, capable of moving power 1,000 or more miles, pose to the Pacific Northwest's economy.

The President, in his February 23, 1961, message on natural resources, directed this Department to develop plans for electrical interconnections of regions served by our power marketing agencies. Pursuant to that directive, a task force was appointed on March 10, 1961, to conduct a study of the feasibility of an extra high voltage interconnection between the Pacific Northwest and the Pacific Southwest which could make possible deliveries of surplus energy between the Pacific Northwest and the Pacific Southwest.

The Department completed its study of the proposed interconnection and issued a report dated December 15, 1961, which finds and recommends that:

"Prudent national policy requires that immediate steps be taken to interconnect the electrical generating plants of the Pacific Northwest and Pacific Southwest with extra high voltage common carrier transmission lines.

"It would be in the national interest and the interest of the electric consumers of both regions that all electric utilities participate fully in using such interconnections."

The benefits to be derived from this intertie are so large for each region that means must be found to attain these many advantages. From the outset, the Senate Committee on Interior and Insular Affairs, the generating utilities involved, Governors of the affected States, a number of public power agencies, and others have recognized the special problem presented by this proposed interconnection. This comes about primarily because the Pacific Northwest is almost entirely dependent on hydroelectric power for its energy base whereas the Pacific Southwest is largely or substantially dependent on steam-electric power. Other factors unique to the Pacific Northwest are the dependence of many direct service electric process industries, representing hundreds of millions of dollars of capital investment, on a continued low-cost Federal power supply; the absence in the region of alternative low-cost energy sources such as oil, gas or large coal or lignite deposits; and the substantial cost differential between Columbia River hydropower and hydro or steam power generated in neighboring regions.

Pursuant to the President's directive above mentioned, the Department of Interior is also currently studying the need for extra high voltage interconnections between regions not involving the Pacific Northwest. The factors which impel the enclosed bill are not present in these other areas, and similar legislation would therefore not be needed.

This unique situation has led to general recognition that the desires of local interests to protect their long-range regional power needs should be met by appropriate legislation which would accommodate this interconnection to the unusual circumstances in this specific locality. The principle of legislative protection has been attested to and supported by resolutions of the American Public Power Association, Northwest Public Power Association, the California Municipal Utility Association, the State of California in a public hearing, State of Washington Governor's Power Advisory Committee, the Oregon-Washington Farmers Union, the industrial customers in the Pacific Northwest, and the Pacific Coast Power Coordinating Committee representing the principal public power agencies in the Pacific Northwest and the Pacific Southwest. All of these groups favor protective legislation safeguarding the power supply of both areas and many have advocated construction of a Federal intertie.

On June 21, 1960, the Senate Committee on Interior and Insular Affairs adopted a resolution requesting the Secretary of the Interior to continue to suspend negotiations looking to the sale and transfer of surplus power or energy from the Pacific Northwest to California. The committee further requested the Secretary to submit at the next session of the Congress a draft of proposed legislation designed to guarantee to the consumers in the Pacific Northwest States first call on power generated by Federal agencies in that region, as requested by the Governors of the Pacific Coast States.

A bill was drafted and widely circulated among the Governors of the affected States and the public and private utilities in both regions. It was discussed at a series of conferences with these groups, and a new draft, incorporating as many as possible of the suggestions which had been made, was prepared and circulated again for comment. A final draft, which is the bill herewith transmitted, was developed from that background.

We believe that the legislation, as herein proposed, meets the needs of the regions involved.

The Bureau of the Budget advises that it has no objection to the presentation of this draft bill from the standpoint of the administration's program.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENT TO SECOND SUPPLEMENTAL APPROPRIATION BILL

Mr. WILLIAMS of Delaware (for himself and Mr. CARLSON) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely: At the proper place in the bill insert the following:

"GENERAL PROVISION

"No part of any appropriation contained in this or any other Act, or of the funds available for expenditure by any individual, corporation, or agency included in this or any other Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, or to pay the salary of any officer or employee in the executive branch of the Government who appears before any public group for the purpose of explaining, interpreting, supporting, or opposing the administration's position on legislation pending before Congress; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business. For the purposes of this paragraph the term 'officer' or 'employee' shall not be construed to include (1) the President and Vice President of the United States; (2) persons whose compensation is paid from the appropriation for the Office of the President; (3) heads and assistant heads of executive departments; (4) officers who are appointed by the President, by and with the advice and consent of the Senate, and who determine policies to be pursued by the United States in its relations with foreign powers or in the nationwide administration of Federal laws."

Mr. WILLIAMS of Delaware (for himself and Mr. CARLSON) also submitted an amendment intended to be proposed by them, jointly, to House bill 11038, making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely: On page 19, after line 9, insert the following:

"CLAIMS AND JUDGMENTS

"For payment of claims as settled and determined by departments in accord with law and judgments rendered against the United States by the United States Court of Claims and United States district courts, as set forth in Senate Document Numbered 84, Eighty-seventh Congress, $1,065,929, together with such amounts as may be necessary to pay interest (as and when specified in such judgments or provided by law) and such additional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: *Provided*, That no judgment herein appropriated for shall be paid until it shall have become final and conclusive against the United States by failure of the parties to appeal or otherwise: *Provided further*, That, unless otherwise specifically required by law or by the judgment, payment of interest wherever appropriated for herein shall not continue for more than thirty days after the date of approval of this Act."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 11038, supra, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely: On page 17, after line 17, insert the following:

"CONTINGENT EXPENSES OF THE SENATE

"Joint Economic Committee

"For an additional amount for 'Joint Economic Committee', $20,000."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 11038, supra, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely: On page 17, after line 3, insert the following:

"SALARIES, OFFICERS AND EMPLOYEES

"Office of the Vice President

"For an additional amount for 'Office of the Vice President', $1,185.

"Administrative and clerical assistance to Senators

"For an additional amount for 'Administrative and Clerical Assistance to Senators', $118,250: *Provided*, That the basic clerk hire allowance of each Senator is increased by $3,000."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 11038, supra, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely: On page 16, after line 19, insert the following:

"DEPARTMENT OF LABOR

"Manpower development and training activities

"For expenses necessary to carry into effect the Manpower Development and Training Act of 1962 (P.L. 87–415), $2,850,000 of which not less than $790,000 shall be available solely for carrying out part B of title II of the Act, to be transferred from the appropriation for 'Unemployment compensation for Federal employees and ex-servicemen'."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 11038, supra, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely: On page 10, after line 22, insert the following:

"CONSTRUCTION OF FACILITIES

"For an additional amount for 'Construction of facilities', $71,000,000, to remain available until expended: *Provided*, That this paragraph shall be effective only upon enactment of authorizing legislation into law to cover such amount."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 11038, supra, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. HOLLAND submitted the following notice in writing:

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"GENERAL PROVISION

"The amounts made available for fiscal year 1962, for planning or construction of buildings or facilities under the headings 'Foreign quarantine activities', 'National Cancer Institute', 'National Heart Institute', and 'Allergy and infectious disease activities', shall remain available until June 30, 1963."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 11038, supra, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely: On page 5, after line 18, insert the following:

"EXECUTIVE OFFICE OF THE PRESIDENT

"Bureau of the Budget

"The Director of the Bureau of the Budget is authorized to create a special review panel within the Bureau to carefully screen and evaluate all requests for additional personnel, and to make exhaustive and searching inquiries within the Departments and Agencies prior to approving any request for additional personnel."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 11038, supra, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11038) making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely: On page 3 line 20, following the comma, insert the following: "including compensation of a United States Commissioner, who shall be appointed by the President, at the rate of $19,500 per annum".

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 11038, supra, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

PROMOTION OF FEDERAL AND STATE PROGRAMS RELATING TO OUTDOOR RECREATION — ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of April 4, 1962, the names of Senators CLARK, DOUGLAS, HUMPHREY, SMITH of Massachusetts, MORSE, METCALF, MOSS, HART, ENGLE, LONG of Missouri, HARTKE, LONG of Hawaii, FULBRIGHT, COOPER, CARROLL, BYRD of West Virginia, McGEE, and AIKEN were added as additional cosponsors of the bill (S. 3117) to promote the coordination and development of effective Federal and State programs relating to outdoor recreation, and to provide financial assistance to the States for outdoor recreation planning, and for other purposes, introduced by Mr. ANDERSON (for himself and other Senators) on April 4, 1962.

ESTABLISHMENT OF LAND CONSERVATION FUND—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of April 4, 1962, the names of Senators CLARK, DOUGLAS, HUMPHREY, SMITH of Massachusetts, MORSE, METCALF, MOSS, HART, ENGLE, LONG of Missouri, MAGNUSON, MANSFIELD, LONG of Hawaii, CHAVEZ, BARTLETT, COOPER, CARROLL, BYRD of West Virginia, WILLIAMS of New Jersey, McGEE, HAYDEN, CHURCH, BURDICK, BIBLE, and AIKEN were added as additional cosponsors of the bill (S. 3118) to provide for the establishment of a land conservation fund, and for other purposes, introduced by Mr. ANDERSON (for himself and other Senators) on April 4, 1962.

ATROCITIES COMMITTED BY UNITED NATIONS TROOPS IN KATANGA

Mr. TOWER. Mr. President, during the past few months we have seen and heard sketchy accounts and subtle indications of atrocities committed by United Nations troops in their war against the Katanga Province. In the course of seeking to document these stories, I came upon a speech delivered on March 15, 1962, in the House of Lords, by Lord Colyton. The speech is entitled, "Alleged Atrocities by U.N. Troops in Katanga."

Mr. President, I respectfully submit that Lord Colyton's speech is substantial documentation of the most shameful and degrading chapter of United Nations history, and one of which the United States is guilty by association.

Lord Colyton is no novice observer of African affairs. He is a statesman of vast experience and great and proven integrity. He was Minister of State for Colonial Affairs, in Sir Winston Churchill's government. Under his direction, the Federation of Rhodesia and Nyasa-

land was successfully negotiated. He is now chairman of the Joint East and Central African Board, which represents a large number of British interests in that part of the world.

Mr. President, I ask unanimous consent to have Lord Colyton's speech printed in the RECORD following these remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

[From Parliamentary Debates, House of Lords, Official Report, Mar. 15, 1962]

ALLEGED ATROCITIES BY U.N. TROOPS IN KATANGA

(Lord Colyton rose to ask Her Majesty's Government what steps are being taken to investigate the allegations of atrocities committed by United Nations troops in Katanga, having regard in particular to the alleged killing, wounding, or maltreatment of British subjects and the looting of property, and to punish those responsible.)

Lord COLYTON. My Lords, a month ago I paid a visit to Katanga. It was a tragic and harrowing experience. I should like to make two things clear from the outset. First, I have absolutely no interest in Katanga, and I do not own a single copper share. Secondly I did not go to Elizabethville to collect horror stories; I went there to inform myself on the political and military situation in Katanga, and I hope to be able to make use of this material in our forthcoming foreign affairs debate. It was only when I and my wife, who accompanied me, met a number of people in Elizabethville and elsewhere, including clergymen, missionaries, Red Cross workers, and others, who gave us first-hand information of United Nations atrocities, and who begged us to get them investigated, that I decided to report the facts to your Lordships and to urge Her Majesty's Government to press for a formal investigation. I would add that our informants included Americans, British, Belgians, and Katangans.

I do not propose to go into details of the events of last September. Many incidents occurred then of violations of the rules of war of the Geneva Convention, some of which were reported in the British press. None of these so far as I am aware, has been investigated. Although deliberate shooting of civilians certainly occurred the incidents mainly related to the killing of prisoners of war, or attacks on Red Cross ambulances. I propose to devote my time this evening to actual cases of individual or mass atrocities committed by the United Nations forces in the December fighting. Under this heading I include not merely murder, but rape, assault, and looting of property. In a number of them British subjects were involved.

After the December fighting, and up to January 31, the medical officer of the legal department of the Katanga Government had examined 79 bodies, of which 27 were those of Europeans, including 4 women. Of these 27 Europeans, not one was a so-called mercenary. Of the 52 Africans, 23 were civilians, including 6 Northern Rhodesians who had long been residents in Katanga. In a debate on the adjournment in another place on March 7, considerable time was devoted to the case of Mrs. Van Damme, a British subject 72 years old, who was beaten up and had her house looted on December 18 by a party of Ethiopian soldiers of the United Nations. She escaped only in her bare feet, and has lost most of her possessions. Her Majesty's consul, Mr. Dunnett, to whom I should like to pay the highest tribute for his conduct of affairs throughout the series of crises in Katanga, has been looking after her and supplying her essential needs. I visited her house and can corroborate the statements of the condition in which it was left.

I should perhaps mention next the case of Mrs. Dyer, an elderly lady, a British subject, and the wife of the representative in Elisabethville of Messrs. Cooper Bros., the London-chartered accountants. She was killed by mortar fire while in bed at night in a residential area. I also visited her house and saw the destruction caused.

Then there is the case of Mr. James Biddulph, a British subject, and at the time the Federal Broadcasting Corp.'s representative in Elisabethville. Mr. Biddulph is now employed by the African News, and I spoke with him in Salisbury. He and an American colleague were in the hotel at Elisabethville on December 18, and when the fighting appeared to be dying down decided to leave by car for Northern Rhodesia. They took with them M. Favre, a Swiss accountant. Mr. Biddulph was driving a civilian car with Northern Rhodesian markings. At 10 a.m. they approached an apparently unmanned roadblock at the level crossing near Camp Massart, on the Munama Road. They slowed down to remove one of the empty tar barrels which constituted the roadblock, and were immediately fired upon by Swedish troops concealed off the road with a 15-millimeter cannon. M. Favre was killed, both journalists were wounded, and I understand that two Africans on bicycles were killed also. I asked Mr. Biddulph whether this could have been a mistake, and he assured me that this was impossible as three other civilian cars coming along the road later while he was waiting for transport to hospital were similarly attacked.

Then there was the case of Mr. de Deken, married to an English lady, who left the house of his cousin, Mr. Smith-Sheridan, during a lull in the fighting, taking some personal belongings with him. Eyewitnesses told us that they saw him shot in the back and killed by an Ethiopian soldier. Again, there was the case of two Katanga African policemen, who had United Nations passes to enable them to remove their families from the battle area. A clergyman and a missionary saw them fired upon in their car by troops using a United Nations bazooka and killed with their wives and seven children.

Then there is the case of Mr. Derriks, a civilian engineer 60 years old, who with his mother, aged 87, and his African cook were machinegunned in their house by Ethiopian troops as they were having coffee after lunch on December 16. These people, my Lords, could hardly be described as mercenaries. The kitchen boy, who hid under a table lived to tell the tale. I visited the house myself which was exactly as it was 2 months earlier when they died—sacked from top to bottom, every door and window broken, and the floor still covered with blood. Like many other houses I saw in Elizabethville, all sacked and pillaged, it was worse than anything I saw during the Italian campaign.

A number of cases of rape have been reported, including one of a middle-aged Frenchwoman by Ethiopian troops and one of a Belgian lady by an Indian officer with pistol in hand. My informant, a clergyman, saw that unfortunate lady immediately after the incident in a state of hysteria. Just a few days before our arrival in Elisabethville, the bodies of two young European building contractors, missing since December, were found in a shallow grave in the garden of their house in the United Nations area by Swedish police dogs and Red Cross investigators. They had been shot and mutilated, presumably by Ethiopians.

In addition to reckless and wholesale machinegunning of civilians in the streets, mortar attacks were carried out on the African hospital, on the church and mission of St. Jean and the Leopold Stadium. It is really impossible to understand, for example, how 22 mortar bombs could be lobbed into an enormous hospital covered with red crosses without the United Nations authorities knowing what they were doing. Indeed, one Red Cross worker told us that he had personally reported the attack to the United Nations Headquarters, but with no effect. In addition, there was the attack by Swedish jet fighters, using cannon, on the hospital of Shinkolobwe near Jadotville. This again was marked with a large red cross.

Then there were 14 cases of pillage of properties of British subjects, though not in all cases necessarily by United Nations troops. I understand that these, together with other cases of looting and occupation by the United Nations forces without payment of rent or compensation, are being investigated by a claims commission. In all these events, the only contingent of United Nations troops in Elisabethville to emerge with clean hands are the Malayans, to whom tribute was paid by all whom we met.

The only case of murder which is actually being investigated is that of M. Olivet, the Swiss head of the International Red Cross in the Congo, his lady assistant and his Dutch driver. M. Olivet was in an ambulance and, with his companions was kidnaped by Ethiopian troops. The ambulance was later shot up; M. Olivet, the lady and the driver were murdered and, I understand, were buried in a ditch. This case is being investigated because the International Red Cross insisted that this should be done. But no formal inquiry is being held into any one of the cases of murder and assault to which I have referred, or many others, involving Italians, French, Greeks, as well as Belgian and Katangan civilians.

In replying to an adjournment debate on March 2 in another place, the Joint Parliamentary Under Secretary of State for Foreign Affairs explained that the difficulty about such an inquiry was that the commander of the United Nations forces has military power but no power of court-martial, and consequently any question of discipline is a matter for inquiry by the senior officer of a particular contingent. On the other hand, Mr. Unden, the Swedish Foreign Minister, in an interview with the Stockholm representative of the paper, Le Soir, in February, said that accusations of attacks on civilians should be addressed to the Secretary General of the United Nations. What then, is the real position? Or has it ever been determined?

Another reason given by the Under Secretary of State was that there was no use in holding such an inquiry without investigating similar allegations on the other side. I quite agree. But I should have thought that there was every advantage in holding an inquiry into these and all other allegations of atrocities by an impartial judicial commission, provided that it is under a judge of the International Court at The Hague, with two or four assessors. Such a commission would have to be absolutely nonpolitical, and personally I should hope that it might be actually selected by the International Court.

It may be argued that there is no advantage in raking over the ashes of the past, but although the situation is now easier, and there is, I believe, a real hope of a successful meeting today between President Tshombe and Mr. Adoula, I am convinced, from the condition which I saw myself in Elisabethville, that a further set of such incidents could occur at any time. The town itself is virtually an occupied city. When driving or walking about, you are constantly faced with United Nations roadblocks, with a tommy-gun pointed at your stomach. If you do not have a pass, I may say, you are told, pretty roughly, to "move on" or "clear off."

So long as United Nations troops are occupying Elisabethville, an incident could occur any time, whether deliberately provoked or otherwise. I have no doubt that, having regard to the lack of discipline of some United Nations troops and the mentality of the United Nations commanders, a series of further atrocities, and acts of pillage would then follow. I will give an example. When I was in Elisabethville, President Tshombe (who, incidentally, is one of the most outstanding African leaders I have ever met) received a demand for the dispatch of United Nations forces to the mining towns of Jadotfew dozen mercenaries remaining in those ville and Kolwezi, ostensibly to apprehend a districts. And this, in spite of the fact that President Tshombe had already agreed to set up mixed commissions of United Nations and Katangan officers and officials for the same purpose, which had already begun their work. These demands were later withdrawn but, having regard to the mood of the United Nations authorities in Elisabethville, such a situation could occur again.

The only real solution, I am convinced, is to withdraw the United Nations troops, first from Elisabethville and secondly from the whole of Katanga, when I believe complete peace and quiet could be soon restored. But unless there is any likelihood of this arising in the near future, I would most strongly urge Her Majesty's Government to press the United Nations authorities in New York to set up a judicial commission of inquiry, such as I have described.

In conclusion, my Lords, I would only add this. In July last year, a great and successful international fair was held in Elisabethville to celebrate the 50th anniversary of the founding of the city. A large sign on the central building proclaimed the slogan of the fair—"Toward a Better World." Today that sign is riddled with United Nations bullets. This is indeed a sad commentary on the activities of the United Nations in Katanga.

THE SEPARATION OF CHURCH AND STATE

Mr. ERVIN. Mr. President, on March 11, 1962, W. W. Finlator, pastor of the Pullen Memorial Baptist Church of Raleigh, N.C., preached a remarkable sermon entitled "Christ in Congress," which deals in a most illuminating way with the respective roles of the church and the state—a matter of much concern to our country. I believe that Mr. Finlator's observations are of permanent value, and ought to be made available to all Members of Congress for consideration in connection with proposed legislation relating to Federal aid to education. Consequently, I ask unanimous consent that the sermon be printed at this point in the body of the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

CHRIST IN CONGRESS

(By Rev. W. W. Finlator)

There is something undiscourageable in the manner with which the people of this church go about the educating of their minister. Hardly a week passes without his receiving from them a book, an article, an address, or the findings of some study committee, all of which he gladly accepts and carefully reads in the shared hope that such an educational process may eventually result in quality preaching. So keep them coming.

Last Sunday, however, there was a new wrinkle. Following the morning service he was handed at the door a copy of a joint resolution under the caption "87th Congress, 1st Session, H.J. Res. 103, in the House of Representatives, January 24, 1961." This of course is the resolution which has been before the Congress several times previously and is known as the Christian amendment resolution. Though the amendment has little chance of serious consideration, in spite of the fact that it has picked up more support among Congressmen than heretofore, it carries ominous overtones and dark suggestions to which we ought all to be alerted. For this reason the resolution forms the basis of our thinking today; and the moral of these opening remarks is: Be careful what you pass on to the pastor. It might turn into a sermon.

Now as every student of homiletics knows, the traditional sermon has an introduction, three points and a conclusion. Since this resolution has the built-in outline of an introduction and three succeeding sections, I shall follow it point by point, and then add my own conclusion.

First, the introduction which I quote: "Joint resolution proposing an amendment to the Constitution of the United States

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by convention in three-fourths of the several States."

Now this certainly fulfills the injunction of the Apostle Paul to have all things done decently and in order as well as the spirit of the Founding Fathers who provided for deliberate and orderly change in the Constitution. There are always people who are unhappy with some provision of the Constitution and would welcome and agitate for certain changes in it. Much of the leadership of the Roman Catholic Church, for example, is increasingly restive about the first amendment which prohibits the use of Federal funds to support religious institutions. Investigating committees have frequently indicated their impatience with the fifth amendment which protects a citizen from being coerced to testify against himself. Many of our southern leaders have for years attacked the 14th amendment which makes it unconstitutional for any State to abridge the civil liberties of a citizen. And exponents of the extreme right have made no secret of their opopsition to the 16th amendment which authorizes the imposition of the income tax. Any of these amendments may be abrogated, or, as in the case of the Christian amendment, new ones added, if, as is stated above, a two-thirds majority can be mustered in both Houses of Congress and three-fourths of the States follow with ratification.

But it's a long, long way to Tipperary, and we can pause to thank God for the wisdom and farsightedness of those Founding Fathers who made change possible but slow. They thereby gave us a living and dynamic document which men can never freeze into idolatry and which will therefore remain not a god over the people but a servant to the people. Thus when Congress is called upon to exercise itself in theological matters—and specifically, as in this case, Christological matters—the people of the United States have a long time to think on and reject a proposal which is so obviously unconstitutional on its face.

But let us come to section I, and I quote: "This Nation devoutly recognizes the authority and law of Jesus Christ, Saviour and Ruler of Nations, through whom are bestowed the blessings of Almighty God." Shocking, isn't it? One wonders if Congressman SILER, of Kentucky, who introduced the resolution, and the conservative Christian denominations who are sponsoring it, really understand the first amendment where Congress is specifically enjoined against making laws respecting the establishment of religion and which has consistently been interpreted as the principle of church-state separation.

Look at the adverb "devoutly." Plainly it is illegal here. Men can and should be devout, but not governments. Let's face it. What we have required of our Government, and written into its Constitution, is that it be neither devout or undevout, religious or antireligious, but that it remain religiously neutral, secular, if you please. The Constitution, which is very much the work of men of Christian persuasion, definitely excludes all religious considerations. And this wisdom has been abundantly justified. In no other land have the churches so prospered for 180 years as in the United States under its religiously neutral Government. Yet here is a resolution providing for the devout recognition by this Nation, not of God, mind you, not of the Creator who has endowed us with certain inalienable rights, but of "the authority and law of Jesus Christ, Saviour and Ruler of the Nations through whom are bestowed the blessings of Almighty God." In plain language the resolution officially escorts Christ into Congress and proclaims America officially Christian.

Briefly three comments: (1) After establishing for the first time in history a government in which religion and state were completely separated, thereby eliminating the scourge of religious wars that had devastated the church-state nations of Europe, we have now swung full circle. Thoughtful observers have told us that with the gradual absorption of the American churches into a cult of patriotism and respectability, we now have a national faith which is really more the established church we thought we had abandoned than some of the de facto state churches of Europe. This is what the Christian amendment would make final. (2) Once we declare our Nation officially Christian it follows that the decisions, the diplomacy and the foreign policy of the U.S. Government is undeviatingly Christian. This is the full-orbed national self-righteousness which we have been grooming for some time and which is so disastrous to the hard give-and-take encounters and the laborious conferences between nations out of which some hope and peaceful coexistence might come. Why bother with the U.N. if Jesus Christ is the authority of the United States?

The prophetic function of the churches is smothered in this national Messianism. There is simply no witness to the God who, as Karl Barth has told us, is over against our Nation and in judgment upon the deeds of men and nations. This was the problem the Hebrew prophets struggled with. Isaiah told the national and spiritual chauvinists of his day that the pagan Cyrus was actually called by God to become his instrument in chastising the chosen people who believed that God was so wrapped up in their national life that they could do no wrong and suffer no evil. One sympathizes with Martin Luther who in translating the Bible into his native tongue threw down his pen in exasperation when he came to the prophets, saying, "Ach, Gott! It is so difficult to make these Hebrew prophets speak German." It was never so difficult to make them speak American as today when our churches are being reduced to a department of religion in the supernationalistic cult represented by the Christian amendment. (3) It is a dismal commentary on the depth of our theological thinking that we can see no offense to the gospel in calling America "Christian." America with its growing crime rate, its flaunting of moral standards, its racial hostilities, its worship of money values and status symbols, "rec-

ognizes the authority and law of Jesus Christ."

What law and authority? The Sermon on the Mount? The injunction to lose life in order to find it? The invitation to leave all and follow him, seeking first the kingdom of God?

"For frantic boast and foolish word,
Thy mercy on Thy people, Lord."

More briefly, let us look at the next sections, and I quote section 2: "This amendment shall not be interpreted so as to result in the establishment of any particular ecclesiastical organization, or in the abridgment of the rights of religious freedom, or freedom of speech and press, or of peaceful assemblage." This section is a dead giveaway. It protests too much. By its very denial it affirms. Naturally the Christian amendment will not set up the Catholic or the Lutheran or the Baptist Church or any other "particular ecclesiastical organization" as the established church. But the amendment names the name of Jesus Christ as authority and this is a fatal thing to do.

For this is a nation in which 40 percent of the remaining 12 million Jews live. Shall their constitution officially acknowledge as spiritual authority what their synagogues cannot? In this Nation there are growing numbers of Moslem and Hindu citizens. Shall their constitution acknowledge a spiritual authority which their Koran and Veda cannot? In this Nation there are millions of unchurched people and professing atheists. Shall their constitution acknowledge a spiritual authority which in conscience they have not and cannot?

It is no wonder that this section hastens to assure such people that there will be no abridgment of their freedom in religion, speech, press, and assembly. Heaven knows, and all who have read history know, that these freedoms are always imperiled when a majority of people decide that this shall be our way of life and that shall be our accepted faith and yonder shall be the direction in which our interests lie.

Finally the last section, and once more I quote: "Congress shall have power in such cases as it may deem proper, to provide a suitable oath or affirmation for citizens whose religious scruples prevent them from giving unqualified allegiance to the Constitution as herein amended." Now while I am intuitively allergic to all oath taking and disclaimer affidavits (preferring the simple New Testament "let your yea be yea and your nay be nay and whatsoever is more than these cometh from the Evil One"), I realize the propriety of requiring public officials to swear (affirm) to uphold the Constitution of the United States. But here again we see the self-exposure of the Christian amendment. There will be citizens, it bleakly acknowledges, who will have what it calls religious scruples against taking an oath to uphold a document that discriminates against their religion or, what is just as bad, against their freedom to choose no religion. So for them "in such cases" (note how each must come hat in hand), where Congress "deems proper" (note the condescension), "a suitable oath or affirmation" (note the all-competent spiritual know-how), will be provided. This I submit is a civil monstrosity and a spiritual blasphemy. How it could be affirmed either in the name of the democratic state or the Christian church is beyond my comprehension. It can only be explained on the basis that men are joining together in our day what our forefathers hoped in their day had been forever put asunder. Listen to these words from M. M. Thomas, an Indian Christian layman, speaking to the Third Assembly of the World Council of Churches in New Delhi.

"The religious minorities tend to feel and often come to be treated as aliens; in any case, it leads to the division of citizens into first-class and second-class citizens. While it may appear to strengthen the unity of the country, in fact it may become a source of disaffection and divisiveness. Above all, since traditional religion and traditional static social order go together, the state sanction of traditional religion will mean in some sense a hindrance to radical changes in the direction of fundamental human rights and social justice."

Other fairy tales may have happy endings, but not this one. The advocates of the Christian amendment begin as forerunners of the millennium and end as apostles of discord. They set religion against religion and citizen against citizen. They revive the ancient blunder of the Emperor Constantine from which the church has never recovered. They envision an established Christianity with lofty tolerance for those who just can't go along. They invest this Nation with an aura of divine approval which makes crusades against atheistic and materialistic nations so easy. They give sanction to a static order in a time when creative change is desperately needed. They put Christ into the Constitution and hope thereby to end all theological struggle.

For centuries the best minds in the church have agonized over the nature and mission of Jesus Christ. At long last both Protestant and Orthodox communions have been able in the ecumenical movement of our day to accept as a basis of their unity in the World Council of Churches the simple statement: Jesus Christ is Lord. But here is a proposal for the Constitution of the United States to declare Him "Saviour and Ruler of Nations," One whom this Nation "devoutly" recognizes as possessing "authority and law," and through whom "are bestowed the blessings of Almighty God." And should there be any misunderstanding of this section of the Constitution it shall of course be the province of the Supreme Court to hand down the right—shall we say the infallible—decision on the nature and mission of Jesus Christ.

But enough. You see the point. Let us then direct our opposition not against those misguided, if sincere, men who in every age falsely believe that the Gospel may be enlarged by official recognition. Let us rather oppose with every fiber of our being that mentality which is afraid for the witness of our faith to stand upon its own feet in the free and open market of clashing ideologies and philosophies. Let us insist as did our forefathers that our Government support no religion and oppose no religion. Let us in short keep Christ officially out of the Halls of Congress in order that we might liberate Him in the hearts of men—including Congressmen.

DEATH OF JUDGE THOMAS C. HENNINGS, SR.

Mr. LONG of Missouri. Mr. President, today it is my sad duty to inform the Senate of the death of one of my State's foremost citizens, indeed, one of our Nation's foremost citizens, Judge Thomas C. Hennings, Sr., father of the late beloved Senator Tom Hennings.

Judge Hennings was one of the finest gentlemen I ever met. He always had the greatest concern for the well-being of others. He was never too busy but that he had time to share his wisdom with others. He had the greatest interest in government at every level. While always a leader in Democratic politics, he only ran for public office once in his life and that was his successful bid for the office of circuit judge. He was elected to this office shortly after the turn of the century. In recent years, he traveled east regularly and would never return to St. Louis without first visiting the United Nations General Assembly if it was in session.

At 70 years of age, he participated in what he termed "the most important activity of my career." In 1943–45, many of the outstanding leaders in Missouri assembled in a constitutional convention at Jefferson City, our State capital. Judge Hennings was an outstanding leader of this convention. Through his diligence and determined efforts, a number of very important changes were made in the constitution. One of these required that justices of the peace, now called magistrate judges, be members of the legal profession.

The U.S. Senate has directly felt the influence of this wonderful gentleman. His son was one of the greatest Senators Missouri has ever sent to Congress. The lessons Tom Hennings learned from his father in his formative years were never forgotten.

Our Nation has lost one of its greatest citizens. The death of Judge Hennings clearly demonstrates the basic truth of the words of John Donne when he said, "Never send to know for whom the bell tolls; it tolls for thee."

Mr. President, several years ago, the St. Louis Globe-Democrat printed an article concerning Judge Hennings as he neared his 85th birthday. I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JUDGE HENNINGS NEAR 85—STILL ACTIVE IN LAW, HE HOPES HE NEVER HAS TO RETIRE

(By Sue Ann Wood)

Judge Thomas C. Hennings, Sr., can look out the window of his 15th-floor law office and see the dome of the old courthouse, where he served as a circuit judge nearly a half century ago.

Soon to reach his 85th birthday, on September 11, Judge Hennings is the oldest surviving former circuit judge of St. Louis and one of the most distinguished citizens of the city and State.

Still alert and active in his law firm, Green, Hennings, Henry & Evans—although now on something of an "emeritus basis," he explains—Judge Hennings waves off the title of "senior citizen."

"I hope I never have to retire completely," he told an interviewer this week. "Unless a man has a real hobby, he should continue working as long as he can."

"Ever since I was 13 years old, I've wanted to be a lawyer," he continued.

Even though a large part of his career was spent as an officer of the Mercantile Trust Co. of St. Louis, Judge Hennings remained in the legal end of banking, in charge of trusts and estates, during that period.

LIFELONG DEMOCRAT

Judge Hennings, a lifelong Democrat, always has been a leader in Democratic politics in the State but the only time he ran for office was in his successful bid for the circuit judgeship.

He passed on his successful campaigning ways to his son, now Missouri's senior Senator, Thomas C. Hennings, Jr.

"I always felt that I missed an experience in not running for the State legislature," Judge Hennings mused. "But I got my opportunity for legislative experience as a

delegate to the State constitutional convention."

That experience is rated as "the most important activity of my career" by Judge Hennings.

"One of the greatest groups of men ever assembled in this State met in Jefferson City in 1943–44 to write that constitution," he said. "It was a privilege to be associated with them."

Judge Hennings was an outstanding leader of the convention, as observers and writers of State history have pointed out. He went to Jefferson City with firm convictions about reforms and changes which he believed were necessary in the State's legal and governmental structures.

HELPED WITH REFORMS

Some years before the convention, Judge Hennings had served as president of the Missouri Association for Criminal Justice, which prepared a State-wide "Crime Survey" of needed changes in the State's law enforcement system.

Its recommendations included the establishment of a State highway patrol, rule-making powers for the State supreme court, limited parole power for the government and setting up a parole board. It also urged that justices of the peace—strongholds of political patronage—should be lawyers.

Judge Hennings believed strongly in these reforms and helped to write many of them into the State constitution. He chuckles as he recalls how a group of worried politicians tried to talk him out of his stand on requiring that justices of the peace (now called magistrate judges) must be lawyers.

"One of them was a union man," the Judge said. "I told him: 'You stand up for union people. Well, I belong to the lawyers' union.' They were startled, but I made my point."

The provision was adopted by the convention.

IN EVERY COUNTY

Judge Hennings' interest in progressive judicial and political ideas goes back to the early days of his career. He was one of the first juvenile judges in St. Louis, in 1913.

Back in those days, the Democrats were new to political power in St. Louis.

"The Democrats had been in the same position that the Republicans are now in St. Louis," Judge Hennings said. "The city had been a Republican stronghold, until Theodore Roosevelt bolted from the party in 1912 and all the Democrats won."

Judges were on the party tickets then, and had to run in primary and general elections.

"Usually, the party selected gray-bearded, distinguished men as candidates for judgeships," he said. "But the Democrats couldn't get any old fellows to run. All of us who were elected that year were young."

Judge Hennings has been "in every county of the State" campaigning. When he began his banking career, he gave up many of his political activities but maintained an active interest.

"I've known every Missouri Governor and St. Louis mayor for the past 50 years," he said. "Naturally, I've known the Democratic ones better than the Republicans."

His pride in his son is reflected in every remark Judge Hennings makes about him. He stresses that he has never attempted to influence his son's congressional actions or appointments in any way, but concedes that: "In our basic beliefs, we think alike."

CIVIL WAR LEADER

Besides his political and professional activities through the years, Judge Hennings has been a leader in numerous civic projects. He was one of six leading citizens who founded the Community Chest here in 1923 and led in "the real job of selling the idea to the people."

His interest in young people has never dimmed. On his desk daily are letters from the School of the Ozarks, which he served as board member for many years and still serves as legal adviser. He was honored as "Big Brother of the Year" in St. Louis 5 years ago, in recognition of his long service to teenagers.

Another of his favorite projects is the Thomas Dunn Memorial, which operates residential and recreational facilities for needy boys.

VISITS OFFICE DAILY

For 17 years, Judge Hennings was on the board of the city art museum—a position he gave up 3 years ago "to give a younger person a chance."

"I don't like modern art anyhow," he added, with a grin.

On the walls of his office in the Boatmen's Bank Building are prints of two paintings which rank higher in the Judge's favor—Franz Hals' "Laughing Cavalier" and Holbein's portrait of Erasmus, whom Judge Hennings calls the "greatest scholar who ever lived."

Judge Hennings comes to his office daily, after taking his morning walk near the Park Plaza Hotel, where he and his wife live.

Like fellow Democrat Harry Truman, he is a great believer in walking. He sometimes walks a quarter of a mile in the morning, usually through Forest Park.

Swimming is another of Judge Hennings' favorite activities. About once a week, he takes a morning swim in the Forest Park Highlands pool, where he has been a regular visitor for 40 years.

On occasional trips to the East, he makes a point of stopping by Washington, D.C., to visit his son. His daughter, Mrs. David Teasdale, lives in St. Louis County.

From his desk, Judge Hennings can look out on the Mississippi River, a scene of which he never tires. It flows past the site of many memories, like the old courthouse, where he worked as a title examiner in the recorder of deeds office while studying law at Washington University.

A portrait of Thomas Jefferson holds a place of honor on the wall opposite his office window.

LOOKS WITH PRIDE

Just as Jefferson considered his part in writing the U.S. Constitution one of his proudest achievements, so Judge Hennings looks back with pride on his role in shaping Missouri's present constitution.

On his 70th birthday, September 11, 1944, the State constitutional convention paused in its deliberations to pay tribute to one of its delegates.

A resolution was passed, honoring Thomas C. Hennings, Sr., for his "long experience as an outstanding lawyer and jurist * * * his daily diligent attendance and devotion to convention work * * * a courteous gentleman, and a fine companion."

"Therefore be it *Resolved*," the motion continued, "That this convention extend its congratulations to Judge Hennings and wish him many, many more years of health and happiness in which he may contribute to the welfare of his city, his State, and his country."

That same wish will be in the hearts of the hundreds of friends and admirers of Judge Hennings on another milestone of his long and distinguished career—his 85th birthday—next month.

REDEVELOPMENT OF STORM-DAMAGED SHORE AREAS

Mr. ANDERSON. Mr. President, on March 23 I suggested to the Secretary of the Interior that a study be made of the frequency of damaging storms and tides on the Eastern Shore and so that current reconstruction of the area from New York to Cape Hatteras can be planned to provide for tidal plain zoning and establishment of public access recreation areas where they are needed and advisable.

Secretary of the Interior Udall immediately undertook a study of the situation. Parties of the Interior Department experts and the State officials surveyed the coastline. A series of conferences has been held with each of the States involved. Gov. Richard J. Hughes of New Jersey has called a conference of State and Federal officials concerned in Newark, N.J., next Wednesday, April 18. I am extremely gratified at the prospects of sound redevelopment in much of the storm-damaged area, and that the situation is working out so well. There is now real hope that, instead of rushing in to restore works and buildings in areas repeatedly subject to damage, wiser plans will be followed, private investment will be protected against a repetition of this spring's losses, and greatly needed recreation areas will be provided.

The Engineering News-Record of March 29 has commented with approval on the effort. The editorial says: "When nature demonstrates time and again with her special and practically irresistible form of coastal urban redevelopment, it is time to take the hint—leave the beaches to the waves. Tide-hazard zoning, while preserving beaches for recreation, would also eliminate the high cost of high tides."

Mr. President, I ask unanimous consent to include the text of the editorial in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DON'T GO (TOO) NEAR THE WATER

The damage caused this month by high tides and winds along the entire east coast (Engineering News-Record, Mar. 22, p. 59) should focus new and needed attention on beach protection measures. The first sign of this attention, and a welcome one, comes from Senator CLINTON P. ANDERSON, Democrat, of New Mexico. Noting that after every major storm, Federal, State, and local agencies have to provide relief for citizens whose homes and businesses have been washed away or damaged, the Senator suggests that maybe the beauty of the surf can be observed better and more economically from a safe distance.

The suggestion was made in a letter to Interior Secretary Stewart Udall, recommending a study be made to see whether there should be zoning along the coast to prevent unwise reconstruction in shore areas likely to be hit by future high tides and coastal storms. And Secretary Udall passed the idea along to the Governors of three of the worst affected States, Delaware, New Jersey, and Virginia.

These little incidents have been pretty much overlooked amidst the hustle and bustle in Congress and the State legislatures to appropriate money for disaster relief. Nevertheless, they initiate a constructive line of thought. Not only should many coastal areas be zoned so that unwisely built homes and businesses don't go out with the tides, but the idea is also compatible with efforts to preserve large beach areas on all of our coastal fronts for public parks.

Too much of our beautiful coastline has already been desecrated with a hodgepodge of cottages and amusement parks. When nature demonstrates time and again with

her special and practically irresistible form of coastal urban redevelopment, it's time to take the hint—leave the beaches to the waves. Tide-hazard zoning, while preserving beaches for recreation, would also eliminate the high cost of high tides.

SALINE WATER CONVERSION—FREEPORT, TEX., DEMONSTRATION PLANT

Mr. ANDERSON. Mr. President, because of the great and continuing interest displayed in the saline water conversion program I ask unanimous consent that the "Survey of the Freeport, Tex., Demonstration Plant," together with the letter of transmittal from Charles F. MacGowan, Director of the Office of Saline Water, be made a part of the RECORD.

The survey, one that I trust will establish a continuing method of analyzing all of the processes now being utilized in the presently authorized demonstration plants, indicates certain changes that should be incorporated to increase the efficiency of the Freeport installation. Experimentation is the mother of progress and only with continuing experiments and intelligent analyzing of the results of these experiments can we continue to advance toward our announced goal of the production of good economic water from the sea. I am sure that this is being done, and I would like to offer my congratulations to the Secretary and his very capable staff for their conscientious efforts in this field.

There being no objection, the report and letter were ordered to be printed in the RECORD, as follows:

SURVEY OF THE FREEPORT, TEX., DEMONSTRATION PLANT

On February 28, 1962, the sea water conversion system at Freeport, Tex., was shut down according to plans for the purpose of an extensive examination and determination of the condition of most of the equipment and facilities. The plant had been in operation for more than 6 months operating daily between 90 percent and 100 percent of capacity. The last sustained run was for a period of 5 months.

On the whole and considering the experimental approach to the use of steel materials in certain areas, and the use of standardized machinery components as specified by the architect and engineer, although modified to some extent by the Office of Saline Water, the plant is in good condition and is meeting our expectations.

Some important design changes will be required for future distillation plants such as the following:

1. The necessity for the use of other than steel materials in the seawater intake lines ahead of the deaerator.

2. The discontinuance of the use of steel tubing in heat exchanger apparatus.

3. More confining and quality architectural and engineering specifications are necessary in the description of the required pumps, electrical apparatus other than motors and the heat exchanger design.

4. More automatic control and instrumentation must be provided.

There are some problems of water distribution to the evaporator tubes and some minor scaling problems as a result, but these problems can be corrected by proper design. Certain minor modifications are planned for the correction at Freeport. Some steel tubing will be replaced.

Our continuing efforts at Freeport is toward the demonstration of "the reliability, engineering, operating and economical potentials of * * * water conversion processes" as required by law. A sea or brackish water conversion process supplying water "for agricultural, industrial, municipal, and other beneficial consumptive uses" must be regarded as a long life utility and our efforts must be directed to the selection and use of materials and machinery of a quality to provide for the lowest cost over the long-time amortization period.

U.S. DEPARTMENT
OF THE INTERIOR,
OFFICE OF SALINE WATER,
Washington, D.C., April 5, 1962.

Hon. CLINTON P. ANDERSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ANDERSON: We recently performed an examination of the Freeport, Tex., conversion plant during a scheduled shutdown of the facilities. Until it was taken off the line, the plant operated successfully for 5 months. The plant was put on the line October 4 and taken off February 28 with shutdowns of very short durations (an hour or so). It was our purpose to inspect the plant, appraise its condition, and perform needed minor repairs.

Knowing of your interests in both this program and the first demonstration plant, I have asked for a special report. This report has been drafted, and I am presenting it herewith. In general, the plant is in excellent condition. Some design revisions appear to be indicated. Among these latter revisions seems to be the necessity for use of materials other than steel in nondeaerated sea water, as well as the use of alloys in some of the severe heat exchanger services.

I trust you will find this report of interest.

Best wishes and kindest personal regards,

Sincerely yours,

CHARLES F. MACGOWAN,
Director.

THE DESTRUCTIVE COMPETITION OF GOVERNMENT OWNED AND OPERATED NAVAL SHIPYARDS WITH PRIVATE SHIPYARDS

Mr. BUTLER. Mr. President, every Member of the Congress demands that the muscle and fiber of our military posture must be strong and taut, but without fat or flabbiness. This is not a partisan proposition but an all-American attitude. Democrat, Republican, independent, liberal and conservative alike expect the most for every dollar appropriated for defense purposes. Urgently needed defense dollars must be saved without weakening our capacity to survive under all circumstances as a nation and to preserve our way of life.

I have therefore been disturbed, Mr. President, by the continuing evidences that higher costs for Navy shipwork in the naval shipyards are condoned in almost absolute disregard for the competitive enterprise system which is the backbone of our way of life.

The balance between receipts and expenditures in the budget proposed for fiscal 1963 is marginal to say the least, and a business decline in one or more segments of industry could easily cause a deficit. This is axiomatic. But, while private yards have been forced to shut down, the Government-owned naval shipyards have been operating at an optimum of capacity. By contrast, capacity in the privately owned, tax-producing sector of the Nation's shipbuilding and ship-repairing industry remains idle.

For some time, I have been trying to focus attention on this paradox, and my colleagues might therefore be interested in the full flavor of my recent correspondence with Budget Director David E. Bell, demonstrating the destructive manner in which public shipyards are competing with private shipyards.

I ask unanimous consent, Mr. President, that this entire correspondence be printed in the body of the RECORD at this point in my remarks.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., February 12, 1962.

Hon. DAVID E. BELL,
Director, Bureau of the Budget,
Washington, D.C.

DEAR MR. BELL: Your letter of January 31 concerning the continued high-level operations of high-cost, tax-free Government-owned naval shipyards is acknowledged. In my years of public service, I have never before seen a more superficial treatment of a serious problem by an agency of the Government.

The arguments in your letter are the very same arguments which the Navy Department has advanced many times before. The similarity in the line of reasoning is unmistakable. Some very indefensible statements have thus been casually accepted. In my opinion, "an objective review" of the facts and circumstances behind those statements still has not been accomplished.

You say: "* * * the Navy believes that the cost of ship repairs performed at public yards are very close to those of private industry." Against the background of testimony by the Chief of the Bureau of Ships on May 9, 1961, before the Subcommittee on Department of Defense Appropriations, in which it was clearly asserted that costs in the naval shipyards were as much as 15 percent higher than in the private yards, this statement is irreconcilable, unless "very close" is intended to mean 15 percent. I am advised that this testimony has never been revised or revoked. It was the same House Committee on Appropriations that had this to say in House Report 574 (87th Cong., 1st sess.):

"The committee is not convinced that procurement officials of the several services are properly utilizing the production base available to them in the most economical and efficient manner. * * * Particularly is there a need for further studies of the policies relating to the awarding of contracts to private and naval shipyards. The committee is not convinced that the Department of the Navy is taking proper advantage of the strong element of competition which is available in the shipbuilding and repair field."

Fifteen percent (and I personally believe the ultimate difference to be even greater) of the $7 billion figure to which you refer is slightly more than $1 billion. This amount, for your information, would go far in replacing some of the obsolete ships which Navy officials are at this very moment decrying. This amount is also equal to the total appropriations requested for all Corps of Engineers civil works projects throughout the entire country in the coming fiscal year. In other words, critical funds that could otherwise be put to constructive use in the national welfare are being arbitrarily dissipated.

You say "there seems to be a misunderstanding" as to "the economic health of the private shipbuilding and repair industry."

I should like to suggest that the misunderstanding exists only in the minds and imaginations of those who seek to preserve for selfish reasons the myth of the unassailable functions of the naval shipyard complex. Here again, an erroneous appraisal has been accepted without consulting the true facts. It is a matter of positive record that more than 20 privately owned shipyards have gone out of business in the postwar years, and most of the remaining yards are operating at far less than full capacity. Strangely enough, since the close of World War II, not a single naval shipyard has been closed down, and unrealistic employment and work levels have been and are being maintained in these Government-owned, Government-operated facilities to the detriment of free enterprise, our tax-producing system, and the public treasury.

The availability of private shipyard facilities which are not now being utilized for naval ship procurements is ample refutation of the implication in your letter that: "Private industry, to accommodate increased and more complex shipwork, would probably require additional facilities duplicating those in naval shipyards." To the contrary, it seems to me, the naval shipyards have already duplicated—and improperly so—the facilities of private industry. And, it seems pertinent to add that practically all of this "more complex shipwork" represents the original efforts of private industry and private shipyards.

The employment statistics quoted in your letter are a "dead giveaway" of the manner in which self-serving Navy Department statements have been accepted without verification. There is only one yardstick for comparing employment, and that is in terms of naval shipwork only. The Secretary of the Navy has provided the Senate Committee on Armed Services with a tabulation indicating that, on this basis, employment in the naval shipyards has in most years since 1946 averaged twice, or more, that in the private yards. Also, on this basis, recent *Federal statistics* show that employment in the naval shipyards is increasing while employment in the private yards is decreasing. Surely this paradox is not in the national interest, particularly when the President of the United States has said that the Government should do nothing which private enterprise is able to do.

Even so, your letter labors the point that the shipbuilding and ship repair industry should be satisfied with the volume of naval ship procurements now being placed with private yards. Though faced with costly and destructive Federal competition, the private shipyard industry should placidly accept a preservation of the status quo. This line of argument surprisingly chooses to ignore President Kennedy's statement in 1960 that:

"* * * Private enterprise under our system of Government must remain the basis of our economic and political strength. It is the alternative we offer to communism. Government must do only those things which private enterprise cannot do."

If these words are interpreted literally, all Navy shipwork should go to the private yards—for there is nothing the naval yards are doing which the private yards cannot do. And, in the latter category, I certainly include support of the fleet. The naval shipyards have no monopoly on skills, facilities or capabilities.

In wartime, it was the private shipyard industry, not the naval shipyards, that gave the greatest measures of support to the naval fleet. Private yards can do the same now. Under modern-day concepts of warfare, when a time for preparation will probably not be possible, the underlying guide for naval ship construction and repair should be to insure the instant availability of vessels at the lowest possible cost to the Government—and that lowest possible cost, in spite of the many insupportable contentions in your letter, can be provided by the private shipyard industry. Under this concept, and in keeping with the precepts of free enterprise, the private yards should have first consideration on all naval shipwork.

Your citation of the 1961 Report of the Special Subcommittee on Utilization of Naval Shipyard Facilities of the House Committee on Armed Services recalls to mind this passage from an editorial in the Journal of Commerce on August 11, 1961:

"Of the six members of the subcommittee (four Democrats and two Republicans) five are from naval shipyard districts.

"There is no doubt about what has happened. The whole subject has been treated as a political football for years. The best way to correct the situation * * * is to broaden the base of the subcommittee. As matters stand, it is loaded."

Under these circumstances, I am sure you will agree that this report can hardly be characterized as an objective document, and the use of such a review as a benchmark is unworthy of the high standards which should prevail at the Bureau of the Budget. Of course, on any and every occasion, the Navy Department is using, and will continue to do so, the Special Subcommittee's Report for self-serving purposes.

The entire tenor of the justification for the naval shipyards—"industrial giants" as the Navy frequently likes to describe them—in your letter seems to be somewhat at variance with the facts as reported in the public press less than 6 months ago. In late August, the Nation's newspapers carried reports that the President had vetoed a Department of Defense recommendation calling for the "phasing out" of the San Francisco, Boston, and Philadelphia Naval Shipyards because of the Berlin crisis. The preparation of that recommendation, which has never been denied, must have substantiated the conviction of many, including those in high authority, that there is too much capacity in, and too much work going to, the naval shipyards.

More recently, on January 6, the Navy Times quotes an unidentified project 71 spokesman to the effect that: "at least three naval shipyards have already been declared 'in excess.' At least one of these will probably be ordered closed within the next 2 years, he said, declining to specify which were excess or which might be the first closed."

Admittedly, this is an unofficial publication, but these latter statements plus the earlier undenied recommendation persuade me to the point of view that there is a significant body of opinion elsewhere in the Government which wants to place greater reliance on the private shipyard industry for naval ship procurements.

May I respectfully suggest that this situation calls for a more objective study or review than is indicated by your letter of January 31.

Sincerely,

JOHN MARSHALL BUTLER,
U.S. Senator.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., January 31, 1962.

Hon. JOHN MARSHALL BUTLER,
U.S. Senate, Washington, D.C.

DEAR SENATOR BUTLER: This is in further reply to your letter of October 26, 1961, recommending that in the formulation of the President's budget for 1963, the planned assignment of shipbuilding and ship repair work to public and private facilities be given an objective review.

During the formulation of the President's budget, the points raised in your letter were given careful consideration. Among the factors considered were the total shipyard capacity required to meet current and future needs; the difficulty of defining, for contract purposes, the repair work to be performed; fleet operational needs; the level of ship repair capability needed to meet emergency demands; and, of course, the cost of alternate methods. Among the cost factors involved in any substantial transfer of ship repair work to private yards are:

1. Increased administration and supervisory costs on the part of the Navy.

2. Increased technical services required, as private shipyards receive substantial assistance of this kind from the Navy when overhauling a Navy ship. These include design services, material procurements and assistance in specialized areas such as ordnance and electronics.

3. Private industry, to accommodate increased and more complex shipwork, would probably require additional facilities duplicating those in naval shipyards. Based on past experience, the likelihood is that such additional facilities would have to be financed by direct subsidy or as part of contract costs, with no assurance of the fleet receiving full and immediate responsiveness as provided by the naval shipyards.

While costs of repair and conversion work at public and private shipyards are not readily comparable because of the difficulty of reducing them to a common basis, the Navy believes that the cost of ship repairs performed at public yards are very close to those of private industry. Due to this lack of precise comparability, the Navy cannot estimate whether, on a long-range continuing basis, there would be any savings, or greater cost, resulting from the award of more ship repair work to private yards.

With regard to the economic health of the private shipbuilding and repair industry, there seems to be a misunderstanding. I am informed that private yards are now engaged in a Navy ship construction program having an overall value of approximately $5 billion, and that these yards have been receiving approximately $95 million in Navy ship repair work each year. The total dollar volume of Navy shipwork currently awarded is the largest ever obtained by private industry in peacetime. Navy records indicate that employment at private yards has increased from an average of 101,300 in fiscal 1955 to an average of 122,400 in fiscal 1961, while public shipyard employment during the same period decreased from 112,126 to 96,772. Average employment on Navy work at private yards during fiscal 1961 was the highest in 7 years. Although private yards may lack full utilization in merchant-type shipwork construction, the strong nucleus of private yard skills and facilities now being supported by Navy work is adequate to enable the industry to meet expected Navy tasks in wartime.

As a result of these and other considerations, it was determined that any substantial transfer of ship repair work from public to private shipyards would not be in the national interest. The outcome of this review, as incorporated in the 1963 budget, is a shipyard work program of about $7 billion, of which approximately 65 percent is allocated to private shipyards—about the same proportion as at present. About 70 percent of the new construction shipbuilding program will be accomplished in private yards, and approximately 20 percent ($88 million) of the ship repair and improvement work during 1963 will be awarded to private yards. It is believed that these planned assignments will maintain the levels of private and public shipyard capability necessary to meet current and emergency military purposes.

Extensive hearings on utilization of the naval shipyards were conducted during July and August 1961 by a Special Subcommittee of the House Armed Services Committee. The special subcommittee reached the conclusion, in its report dated September 19, 1961, that any curtailment of the Navy shipyard support system would detract from the total capability of our naval forces and consequently impair national security.

Your letter of January 17, 1962, expressed an interest in the recommendations submitted by the Secretary of Defense. The discussion above is, I believe, a fair summary of the principal factors supporting the Secretary's recommendations.

Sincerely yours,

ELMER B. STAATS,
Acting Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., November 21, 1961.

Hon. JOHN MARSHALL BUTLER,
U.S. Senate, Washington, D.C.

DEAR SENATOR BUTLER: This is in reply to your letter of October 26, 1961, recommending that in the formulation of the President's budget for 1963 the planned assignment of shipbuilding and similar work to public and private facilities be given an objective review. I am asking the Secretary of Defense for his recommendations in this regard and can assure you that in the formulation of the 1963 budget serious consideration will be given to the reasoning you have offered.

Sincerely yours,

DAVID E. BELL,
Director.

THE SECRETARY OF THE TREASURY,
Washington, November 3, 1961.

DEAR SENATOR BUTLER: I have read with interest your thoughtful letter of October 26 in which you discussed the operations of Government-owned naval shipyards.

I do indeed have a very real interest in the conservation of tax revenues generally. However, the activities and expenditures of the Department of the Navy are outside the scope of my responsibilities. I am forwarding your letter to David Bell for review and comment since the Bureau of the Budget does control the Defense Department's requests for appropriations.

Sincerely yours,

DOUGLAS DILLON.

U.S. SENATE,
Washington, D.C., October 26, 1961.

Mr. DAVID E. BELL,
Director, Bureau of the Budget,
Executive Office Building,
Washington, D.C.

DEAR MR. BELL: As you proceed in the development of the Federal budget for fiscal 1963, may I call your attention to an opportunity whereby the Government can reduce out-go while at the same time increase income. I refer to the continuing opportunities to save appropriated dollars for the construction, repair, alteration, and conversion of naval vessels through a greater utilization of private shipyard facilities—opportunities which are now being arbitrarily discarded.

I am prompted to write you only because officials of the Department of Defense and the Department of the Navy are unwilling to concede that the operation of Government-owned naval shipyards needlessly consume tax revenues and that the operation of these Federal facilities are undermining the mobilization and tax-producing capability of the Nation's privately owned shipyard industry. Perhaps you and your associates are disposed to give this matter a more objective review.

The following points might be helpful in placing this situation in sharp focus:

1. For the past 8 years, total employment in the 11 naval shipyards has been only slightly less than the total employment in all private shipyards throughout the United States.

2. More strikingly, there are today about 97,000 persons employed in the naval shipyards on naval shipwork—the private yards have 47,000 on the same work. As a matter of fact, in all of the years since World War II, employment on naval shipwork in the naval shipyards has been twice as great as that in the private yards.

3. During the last 8 years, for naval ship repairs, alterations and conversions, the Navy spent an average of $464 million annually in the Government-owned, Government-operated shipyards, and an average of $126 million in private yards. It is truly unrealistic from all viewpoints for the tax-free, higher cost naval shipyards to be doing better than 80 percent of this work, while the taxpaying, lower cost private yards are awarded the balance on a competitive bid basis.

4. Under peak circumstances in World War II, 11 naval shipyards supported a fleet of 10,000 vessels—today, the same 11 naval shipyards support a fleet of 817 ships. This means that during the war, the naval shipyards required 34 men per ship, but now, nearly 120 men per ship are needed.

5. The Navy admits that costs are as much as 15 percent higher in the naval shipyards than in the private yards, and the Appropriations Committee of the House of Representatives, in a report during the 1st session of the 87th Congress, suggested that the Navy was awarding contracts to private and naval shipyards in an uneconomic and unrealistic manner. This report went on to say that the Appropriations Committee is "not convinced that the Department of the Navy is taking proper advantage of the strong element of competition which is available in the shipbuilding and repair field."

6. In times of emergency, it is the private yards which are expected to perform the majority of all naval vessel work—but in times of peace, these same private yards are neglected because of arbitrary governmental action. While the naval shipyards are flourishing and expanding, the private yards are declining and decreasing. In the last 15 years, more than 20 important private yards on all coasts have gone out of business because of a lack of work, and many of the remaining yards are operating at a perilously low level. In that period, all of the naval shipyards have remained open and predetermined employment levels in these shipyards are maintained through the assignment of work with little reference to the ultimate cost to the Government, effect upon our economic base or availability of privately owned, tax-producing facilities. Idle capacity in the private yards—and there is considerable today—is hardly contributing to economic health, let alone to national security.

7. In World War II, the private yard side of the shipyard complex to support the naval fleet expanded by 1,300 percent; the naval shipyard side expanded by 300 percent. Obviously, the outstanding performance of the private yards, in a time of extreme urgency, greatly enhanced the fleet's effectiveness.

8. Recently, while private shipyards have been forced to lay people off, the Government-owned, Government-operated shipyards have been advertising for more workers and swelling their rolls by some 5,000 people. Ironically, practically all of the additional persons will perform work which could and should be done in the private yards. All of this goes on in contradiction to our competitive enterprise system which has traditionally placed supreme reliance on privately owned, tax-producing facilities.

9. Naval shipyards, unlike private yards, are immune from all forms of taxation. In addition to paying no taxes, these Federal facilities pay no interest on borrowed capital, charge no depreciation, and the salaries of assigned enlisted and officer personnel are not included on their payrolls. Likewise, the "fringe benefits" of Government personnel are not included in their costs.

10. Naval shipyards are maintained, improved and sometimes expanded by public funds. In the years 1945–61, under the heading of "Military Construction" appropriations, the naval shipyards have received a total of approximately $180 million for these purposes, and the indications are that a modernization program for all of these Government-owned and operated facilities, costing approximately $200 million, will be instituted in fiscal 1963. These capital items are not reflected in naval shipyard costs. But, private shipyards are commercial enterprises and can only be maintained, improved and expanded by capital generated by the competitive enterprise system—without placing a further burden on an already burdened public Treasury and the taxpayer.

11. Over the years, thousands of naval vessels of all types and categories, from the simplest to the most complex, with all types of propulsion and armament, have been built and repaired by the privately owned shipyard industry of the United States. They obviously have the necessary facilities and know-how. There is nothing that the naval shipyards are doing which the private yards cannot do—if given the opportunity. The latest in electronics and atomic energy are no secrets to private industry, for in reality, these technological advances are the fruits of development and manufacture by private industries.

In summary, by every reasonable yardstick, the naval shipyards are overutilized and the private yards are underutilized. This imbalance destroys needed tax revenues and excessively drains the Federal Treasury. The naval shipyards retain for themselves work which should go to the private yards. No other major industry in the United States is confronted with the same intense form of Government competition. The effectiveness of the naval fleet would not be impaired by a reversal of this situation—to the contrary, the shipyard complex to support the fleet would be strengthened and improved. There would be just as much employment for skilled shipyard workers, and the local and national economy would improve. Defense dollars would stretch further, and this country will not fall deeper in the quicksand of nationalized industries.

As you may have observed, I have, in the last decade, devoted much time and energy to this problem. I continue to believe that the arguments of justification put forth by the Department of Defense and the Department of the Navy are nothing more than self-serving pronouncements, completely contrary to our longstanding national objective that "the Federal Government will not start or carry on any commercial-industrial activity to provide a service or production for its own use, if such production or service can be procured from private enterprise through ordinary business channels." To me, it is axiomatic that greater reliance on privately owned shipyard facilities will better serve the Nation's need for economic well-being, and thus strengthen the ability of our economic system to produce the funds to pay not only for military defense but for all of the many other varied activities of the Federal Government. If an assessment of the shipyard complex to support the naval fleet is made from the standpoint of insurance, it should be noted that greater coverage at lesser cost to the Federal Treasury can be obtained through more utilization of private shipyards for naval ship procurements.

In closing, let me emphasize that I do not advocate the elimination of naval shipyards. I do say, however, that employment and work levels in these Government-owned, Government-operated facilities can be realistically reduced at a great saving in badly needed tax dollars. There are efficient private shipyard facilities much more widely dispersed than the naval shipyards. And, with a transfer of work from naval to private shipyards, the defense capability of the Nation will be improved, our economy will be healthier, the private shipbuilding and repair

industry will be saved from possible disaster, and at the same time, an appropriate nucleus of skills and facilities can be maintained in the Government yards.

With deep appreciation of any comments you might care to share with me, and with best personal regards, I am,

Sincerely,

JOHN MARSHALL BUTLER,
U.S. Senator.

INTERNATIONAL BARBERSHOP HARMONY WEEK

Mr. MURPHY. Mr. President, this is International Barbership Harmony Week in North America. It is being observed by the largest organized all-male singing fraternity in the world today. I refer to the Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Inc., which has over 29,000 members in every State of the United States and most of the Provinces of Canada. These members are organized in nearly 700 chapters, sing in over 600 choruses and over 1,000 registered quartets and at least another 1,000 additional quartets which are not registered.

During the past 24 years, these happy harmonizers have been filling auditoriums across the continent with folks who love to sing and listen to the old songs. Community singing has been a part of every barbershop harmony show held since the organization was founded in Tulsa, Okla., on April 11, 1938. Most chapters stage at least one annual show and, in addition, frequently stage package shows for the benefit of local charities and community enterprises. It is a certainty, therefore, that more than 1,500 shows annually are staged by this organization.

Barbershoppers have no political, religious, or social axes to grind. The program is simple: To preserve and encourage the barbershop style of singing, to sing in harmony, and to live in harmony with their fellow men. The society has one goal toward which it is constantly striving, and that is to keep America singing. During 1962 it is stressing "Songs of Service;" that is, contributing to their communities through the use of their music and the wonderful songs of another era. One of the society's tenets is to render all possible altruistic service through the medium of barbership harmony, and in hundreds of cities, towns, and hamlets in the United States and Canada, local citizens are acutely aware of this society and the good it has done with its songs over the years.

Gone are the days when the barbershop quartet was associated in the public mind with the saloon, the corner lamppost and the tipsy warbler. Today's barbership quartet is composed of church choir members, substantial business and professional men, community leaders, and men who frequently are among the most musically knowledgeable in their area. Today's barbershop chorus is often conducted by a professional with a college degree in music, and the society's top quartets frequently equal and exceed the caliber of those who appear in the outstanding entertainment centers of our land.

Mr. President, I pay tribute to the members of the Society for the Preservation and Encouragement of Barber Shop Singing in America, Inc. Long may they sing, and may their numbers increase, and their songs grow even more melodious.

ADDRESS BY DEPUTY POSTMASTER GENERAL H. W. BRAWLEY

Mr. KEFAUVER. Mr. President, on April 7, a Civil War commemorative stamp marking the Battle of Shiloh was dedicated at the Shiloh National Military Park in Tennessee.

The dedicatory address was given by our distinguished Deputy Postmaster General, the Honorable H. W. Brawley, who has been doing such a fine job in the Post Office Department.

To the historian, Shiloh may mean one thing; to the military tactician, another. But Mr. Brawley has discovered in the Battle of Shiloh a meaning of lasting importance to our generation.

His is such a thought-provoking speech that I think all readers of the RECORD should have an opportunity to study it. Therefore, I ask unanimous consent that it appear at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF DEPUTY POSTMASTER GENERAL H. W. BRAWLEY AT THE DEDICATION OF THE SHILOH COMMEMORATIVE STAMP, SHILOH NATIONAL MILITARY PARK, TENN., APRIL 7, 1962

A visit to Shiloh on this hallowed centennial is a particular pleasure to a South Carolinian like myself. The invitation of Congressman TOM MURRAY to participate today is a special satisfaction to one who has served for years on Capitol Hill where Mr. MURRAY is revered as one of the ablest and most effective of legislators.

And, as Deputy Postmaster General, I find the dedication of this second of five Civil War commemorative stamps a delightful duty and an opportune occasion.

Today we mark another in a series of major milestones in America's War Between the States. And we risk missing its significant. The battle which reached its climax in this peach orchard a century ago was staggering and memorable. The conflict of which it was a part was unparalleled in history. Still its real results, its lasting significance, often get buried in our awe for the courage and conviction of the men who fought here.

To a military historian, Shiloh was the first of the major battles in the western theater, the classic product of the brilliant strategic mind that was Albert Sidney Johnston, the first of the stubborn stands that were to characterize Grant and, most of all, the proof that the man in the ranks, North or South, was to be the decisive factor in this first of modern wars.

To a political historian, Shiloh marked the opening of a relentless Union campaign to sever the Confederacy along the line of the Mississippi and an instant response from the South in recognizing and meeting a crucial challenge.

But to a perceptive American Shiloh and the other bloody battles of the war a century ago should mean much more today. It has been said by many wiser than I that history is merely the prelude to today. If we in 20th century America cannot profitably draw on the experience of 19th century Americans epitomized in the Battle of Shiloh, then we are unworthy heirs of their heroism.

The War Between the States represented the resolution of conflict in a robust, but adolescent democracy.

Today we live in a mature democracy, but one no less vigorous.

The death and destruction that was Shiloh, and Bull Run, and Gettysburg, and Pea Ridge, and Cold Harbor, was but the expression of the ultimate in youthful, unabashed democracy—the honest, uninhibited knockdown, dragout settlement of differences between people who know today, in their maturity, that they have much more to unite them than to divide them.

But in 1861 today's fact was but a faint hope. And today, 1861's fatalistic factionalism has given place to a vigorous and responsive political system.

Some smugly point out that the South has matured. Realistically, one would have to admit instead that the Nation has matured. For growing up did not end politically in America with Appomatox. Reconstruction added its equally tragic, but tragically inevitable, postscript to the war years.

The post bellum careers of Wade Hampton, Robert E. Lee, James Longstreet—indeed, Andrew Johnson, James Garfield, William McKinley, and Woodrow Wilson—were irrevocably colored by not the bitterness but the bitterly learned lessons of the War Between the States.

Yet some today would celebrate this centennial only by recalling its glory, without taking into account its immutable effects. Others would refight its battles, without reflecting on its ultimate results.

Some, in other words, might remember the war, yet forget why it was fought.

We hope these Civil War commemorative stamps will remind millions of Americans of their real heritage—and in remembering we can all move ahead toward the America for which so many Americans died on this spot 100 years ago.

There are those who will say that little has changed. They tell us that the divisiveness, that ended in battle here, simmers today.

This I deny. To admit to this superficial appraisal would be to mock the deaths of thousands of Confederate and Union troops.

To accept that appraisal would be to say that war was fought in vain—and that Americans have stagnated for a century.

Let's abandon for a moment the nostalgic emotion of this occasion. Let's instead turn back the clock not to 1862, but to 1832—and keep an eye on today.

Abolition was not the cause of the war, but an accidental byproduct. A century and a quarter ago a dominant European economy, with which America was struggling to compete, raised a tariff issue which split America.

For 28 relentless years, this issue, compounded of shoddy economic theory, weak Federal leadership and uncertain appreciation of the real fruits of federation led our States down the shadowy road to war.

Today, the picture has changed—but the key issue then facing America has returned.

Tariffs—now their reduction, not their increase—is again the issue before America. It is not now a sectional issue but a national one and indeed an international one. It is an issue which in its resolution must involve every American, his job, his family, and his future. It is an issue which we can and should face today.

We fought a war on this field among ourselves primarily because we had no mechanism through which the economies of the several States could be meshed and coordinated in a national effort.

Each of our States and our sections looked for protection to its Congressmen, with an occasional look over its shoulder at the dominant competitive economy of Europe—

united through the seapower of the British Empire.

In those days, not so long ago, the executive branch of our Government did not lead, but observed. In those ante bellum days, the President and his Cabinet sought to avoid issues, not to face them.

The seeds of the War Between the States were planted, not by the farmers and artisans of both sides who gave their lives here, but by prewar politicians from all parts of the Nation who were unresponsive to their constituents and unaffected by Presidential leadership.

The result? When secession came both segmented nations turned in instinctive panic to strong executives—Lincoln and Davis—who simultaneously looked to the world trade markets as a decisive theater of war.

While Davis realized that the South's cotton crop could be its major economic weapon, Lincoln knew that the North's meager war potential must first be turned to countering that weapon through a blockade of southern ports.

And today, President Kennedy, with the wisdom born of a reverent appreciation of history, with the leadership developed in the hard school of war and the realism representative of a mature national economy, has offered America the exciting economic challenge only dimly understood in the days of our grandfathers.

The President's trade program has the same ingredients of breathtaking grandeur that have marked all major national motivations in history.

It places the American economy firmly in the main stream of world commerce.

It expresses a deep and abiding faith in the future and vigor of the free enterprise system.

It recognizes the fact of economic hegemony in a Europe whose 20th century recovery rivals that of the postwar South of the 19th century.

It hits the Communist empire where it hurts, in the world market where American ingenuity and inventiveness is at its best and the regimented thought of the Communist bloc is at its weakest.

It cushions the shock of effective competition with anticipatory reevaluation of both industrial resources and—more importantly—human resources.

It makes America—and for the first time all of America—an economic force in the world more than the equal of Europe, clearly the superior of the Communist bloc and potentially the world's strongest, most versatile economy.

How?

This breaktaking breakthrough can come to be because President Kennedy has brought to bear the leadership he promised—the force to "get America moving again"—and combined this genuine Executive leadership with legislative evaluation which seeks properly to meld local interest, national needs, and international realities.

The President's program is a positive one, and at the same time compassionate. It sacrifices nothing, but guarantees much. It concerns us all, but affects few. It protects those few, and burdens none.

It is, then, an exciting entree into a truly modern world whose economy is international and whose single greatest force is the yet unrealized potential of our Nation.

Basically, the President's trade program is revolutionary, but inevitable. And for each restraint we fear, it offers an unshackled opportunity.

In essence President Kennedy has presented us all with the essential factor missing in the tariff controversy which loomed tragically in the shadowy prelude of the War Between the States. He has presented every American with the ingredients of a truly great debate—one in which we are all concerned as Americans, as well as South Carolinians, Tennesseans, New Yorkers, or Californians.

It can really be jeopardized by only one jarring element—one that had no place at Shiloh.

Fear—under whatever guise it is expressed—is really the only thing that can keep our united Nation from finally making worthwhile the sacrifices we commemorate today.

Some would fear to face reality—that in the strength of our economy lies the best weapon to defeat communism, an ideology essentially economic in character. This fear lies deep in a suspicion of all persons a bit different, a bit differently oriented or originated than others.

Some would fear anything new or different—suspecting that they might have to adjust to the facts of today rather than memories of yesterday.

The American people are not frightened, though. Interested, yes. As yet not fully decided, perhaps. Honestly divided on some details, of course.

But where it counts—in support of programs at home and abroad which are the products of the first year of the leadership America craves in her President—in these things that count, the overwhelming majority of Americans stand with their President.

These are the symptoms of a mature nation—as the War Between the States a century ago evidenced the adolescent growing pains of a young nation.

The cause for which so many died from 1861 to 1865 was a single one—but the participants of North and South had not our advantage of hindsight to recognize it. We have, now, the opportunity to reap the fruits of their sacrifice.

In accepting the President's trade program and the essential measures which will make it effective, all Americans have the chance which comes but once to a nation—the chance to seize upon the role a century of growth has prepared it for.

It is this opportunity—not a lost cause—which we memorialize with the issue of this Shiloh commemorative stamp, which starkly depicts the only real hero of the war—the private soldier—against the peach blossom pink of this grove.

Each of these 120 million stamps, we hope, will serve to remind countless millions who see and use them, of our real American heritage—the right and responsibility to resolve in public debate and legislative processes the great issues of our time. Our predecessors at Shiloh had no recourse but combat.

At only the Shiloh post office today, but tomorrow at 35,000 more, we put on sale this adhesive reminder of Shiloh and its meaning. Our efforts will have been worthwhile if but a fraction of the people who see this stamp pause to think of its significance.

Now, it is my pleasure to present special albums of the Shiloh Civil War commemorative stamp to some of the people who have contributed to this event:

WHY MILITARY OFFICERS SHOULD NOT BE FRUSTRATED BY COLD WAR POLICIES

Mr. KEFAUVER. Mr. President, there appears in the April 1962 issue of the magazine Army, a very important article by Col. John E. Dwan II, entitled "Why They Are Frustrated." This magazine is the monthly publication of the Association of the United States Army, and although expressions of opinion in its articles do not represent official opinion of either the association or the Department of the Army, it is a highly regarded and widely read military publication.

Colonel Dwan's article is extremely timely. It recognizes that some in the military service are frustrated and dissatisfied about the cold war policies of the United States. Colonel Dwan discusses the false assumptions which underlie this feeling and shows that a realistic and informed military man should not be frustrated by the U.S. cold war strategy. Colonel Dwan is a distinguished combat veteran of World War II and a member of the faculty of the Army War College. His article is encouraging and stimulating because of his standing as a professional military man, but it would be regarded as a brilliant analysis of our foreign and military policies coming from any source. As Colonel Dwan points out, the notion that the world situation can be handled like a two-sided war game between "reds" and "blues" is a vast oversimplification. His article also shows the inaccuracy and deception of those who say we have a no-win policy. Although our objective cannot be a counterpart to the Communists and seek world domination by a political system run from Washington, a strategy of strengthening the free world to resist Communist encroachments and demonstrate democracy's superiority is nonetheless calculated to produce ultimate victory.

I hope everyone in uniform and everyone who is genuinely concerned with the role and attitudes of our career military officers will read this article. Colonel Dwan and the Army magazine are to be commended for making this valuable contribution.

Mr. President, I ask unanimous consent to have Colonel Dwan's article printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY THEY ARE FRUSTRATED—AN ANALYSIS OF SOME UNREAL ASSUMPTIONS ABOUT THE REAL WORLD OF TODAY

(By Col. John E. Dwan II)

There exists in the military services today a definite mood of frustration and dissatisfaction about how the United States is doing in the cold war. In my opinion a number of mature, professional officers appear convinced that the United States is losing the cold war to the Communist enemy, and that inadequate steps are being taken to reverse the trend. Their feeling is that the fortunes of the United States are in decline, and that if current trends continue, there is every prospect that eventually we will be defeated. Accompanying this pessimistic point of view is usually the clear implication that solutions are obvious if our people and their leaders only had the courage to act, or were not somehow unwittingly under insidious influences of the enemy and his accomplices.

If these attitudes are sincerely held by responsible officers in any appreciable numbers—as this writer thinks they are—then the consequences for the armed services and for the Nation are potentially serious indeed. Deeprooted frustrations on the part of responsible military officers about matters vital to the security of their country have aroused violent passions and intemperate action in more than one nation of the

world in the very recent past. As one author writing in the January issue of this magazine has said:

"Most endemic and serious is the fact that there are deep motivations for the political factiousness of military groups in a democracy faced with the prospect of indefinite conflict with the Communist East. As the possibility of eliminating or softening the menace recedes into distant time, frustrations lead to the desire for some more direct form of action. * * * The world becomes split into a harsh dualism of good and evil. Why, it is finally asked, cannot civilian society be run by a mechanism of command and obedience like a well-trained military organization?"

This is not to suggest that extremist actions such as have been reported in the press from various parts of the world are remotely imaginable in an American context, given our long military tradition of loyalty to duly constituted authority and to constitutional processes. Still, deep-seated frustrations at the very least erode morale and impede the whole-hearted efforts that are needed in these perilous times.

The disquieting mood of frustration referred to here as characteristic of some segments of the military profession is, of course, not unique to that calling. It can also be observed within a portion of the citizenry at large. The point here is simply that the frustrations of the military professionals are probably due to some characteristic habits of military analysis and to the special experiences of military life.

This article proposes to look at some of the reasons why, in the writer's view, a sense of frustration is prevalent among some military professionals in this era of cold war. The purpose is not to pass judgment on the merits or shortcomings of national policy (which in any case would be inappropriate as a subject for public discussion by one in uniform), but to attempt to assess underlying attitudes and assumptions about today's world that appear to be held by those who are the most frustrated.

Three fundamental attitudes about the current world can be detected among those who feel a sense of frustration as they view current history. These attitudes are probably not consciously recognized as such by those who hold them. Rather, they appear to be unexamined assumptions about what today's world is really like—the lenses, so to speak, through which the observer looks out upon the world, and which shape his conception of reality. These premises are stated below in a fairly blunt and bald way. Chances are that very few people faced with them in these terms would subscribe to them completely without making exceptions and reservations. Nevertheless, the writer's contention is that these people talk about events of the cold war and take positions about what should or should not be done as if these were their assumptions about the real world today.

Assumption 1: "The single most important fact of today's world is that there is in progress a two-sided contest between the blues (United States and its allies) and the reds (Sino-Soviet bloc) in which ultimately one will win and the other will lose."

Military professionals quite naturally conceive of conflict situations in terms of a two-sided contest. This is the context of the war game, and the pattern within which thought is so effectively applied to problems at Benning, Knox, Sill, and Leavenworth. The real world of the 1960's seems to fit that design admirably, as indeed has the history of international affairs since the end of World War II. There is no doubt that our enemy is the Soviet Union, supported by the regimes of the captive nations of central Europe, and since 1949 joined by Communist China. Moreover, modern history reveals no more clear-cut, unambiguous hostile confrontation during a nominally peaceful period than that of the current East-West struggle.

The facts of the confrontation are irrefutable. Soviet missiles and aircraft presumably are able to devastate our continental homeland and present an imminent military danger unprecedented in our history. Our military forces themselves have engaged in limited yet large-scale operations with the principal enemy's North Korean and Red Chinese allies, the outcome of which was a stalemate that leaves the Chinese Communist adversary still powerful in his part of the world. The Soviets and Communist Chinese are constantly working for the weakening and downfall of non-Communist governments around the world whose demise would gradually enlarge the domain of Communist power and degrade our own. The Soviet Premier has announced his intention to assist so-called national wars of liberation, and has declared war on us in the economic field and in space achievement. Communist propaganda efforts around the world seek to capture the minds of men. The hostile confrontation thus involves far more on both sides than military power alone. It engages every major facet of the national lives of the opposing sides in a competition whose outcome will vitally affect the shape of the future world. Certainly, one might ask, how much more evidence do we need to be convinced that the East-West struggle is the single dominant fact of international life?

The answer must obviously be that the struggle between the Soviet bloc and the free nations is indeed a central fact in international affairs. Certainly very little that goes on is not in some way influenced by it. But to say this does not explain everything, nor can this vision of the world serve as the only guide for our national effort at home and abroad or for policy decisions about what the United States should or should not do in many perplexing concrete situations.

The point is that a view of the current world as a two-sided game between reds and blues, while true in many respects, is a vast oversimplification. Such a vision is entirely consistent with professional military experience in conflict situations, and as such it is understandable; but it is not a wholly accurate description of an incredibly complicated world of infinitely diverse and dynamic forces, some of which basically have nothing to do with the East-West contest.

The East-West struggle can indeed be made to look like the single driving force of current history in terms of which everything makes sense, if we choose to see it that way. In selecting, for example, events in the newspaper that strike us as relevant and important we use certain selection criteria, whether we are aware of them or not; and we organize the facts we read in relationships that give them meaning according to our own particular frame of reference. Using the red versus blue picture of the world as the central fact in terms of which events have real significance for us, we can see practically everything as stemming from it.

A few examples will suffice. We can view the political transformations taking place in Africa with unalloyed fear and dismay, as territories once parts of the empires of our stanchest Western European allies become independent states and announce policies of neutrality and nonalinement. We can interpret these events as losses to the West; and, since in a two-sided game one player's loss is the other's gain, as an unquestioned advantage to the Communist side.

When Latin American countries do not take vigorous, unequivocal public positions against Castro and refuse to stand up and be counted we can conclude that they are certainly turning toward the Communist bloc, and convince ourselves that the Western Hemisphere is falling apart around us. Hundreds of developments unfold each year that can be construed as undoubted gains for the East and losses for the West if viewed simplistically and uncritically in terms only of the East-West struggle.

The contention here is that world events are dangerous and troublesome enough without being made worse by interpretations that ignore the complexity of their causes, and distort their meaning and consequences for the United States.

Could one not also interpret the choice of the new African states for neutrality and nonalinement as a natural reaction against the colonial status from which they have just emerged, and as a reluctance to tie their newly won independence to either camp in the cold war? Whether or not we like such a choice or whether we consider it in the best interests of the African nations themselves, we have to recognize the possibility that most of the new African leaders in fact act from just such motivations and, right or wrong, have their own opinions about where the interests of their nations lie. If this interpretation is basically correct, then the fact that the new nations do not line up with the West takes on a different meaning, and does not need to raise blood pressures and feelings of frustration, because it does not mean that the African world in its choice of neutralism is by definition turning toward the Communist bloc. It can in fact be an encouragement; because at root our interest, like theirs, is in their continued independence, whereas the Soviet interest, quite incompatibly, is in their domination.

This does not mean that the road ahead is free from dangers, or that there is not much to be done to advance and encourage the political, social, and economic development of these countries. It does mean that emerging Africa is not necessarily "going down the drain" just because it opts for neutralism; and this view of things need not generate frustrations that one often encounters when the word "neutralism" comes up.

It is hardly necessary here to explore all the reasons why Indonesia is seeking to bring West New Guinea into its national boundaries. One may speculate that it is due to her strong anticolonial orientation; and, after Goa, to the possibility that there may be an element of competition among the world's neutralist leaders individually to assert their primacy in efforts to dig out the last vestiges of colonial rule in or adjacent to their territories, and thus fortify their images as nationalist leaders.

These are possible factors behind the recently renewed crisis over West New Guinea. But a person who views the word from the "reds versus the blues" perspective sees in the Dutch-Indonesian controversy still another example of an exasperating neutral placing pressure on a stanch Western ally of the United States; and he finds nothing effective being done to reverse what appears to be an inexorable trend around the world toward the gradual erosion of the oversea positions of European powers who are our best friends in the struggle with the Soviet bloc.

It is too simple and certainly not accurate to equate the historical trend of discolonization with the Communist conspiracy. While the Communist powers will inevitably try to fish the troubled waters of the developing areas, they are what W. W. Rostow has called the scavengers of modernization rather than the force behind the ferment of the emerging nations.

As for the reluctance of Latin American countries to take a firm stand against Castro, however much we may deplore their indecisiveness and however much this impedes collective action to rid the Western Hemisphere of Castro's tyranny over the Cuban people and subversive efforts against other Latin American countries, we would be deceiving ourselves if we ignored the domestic political difficulties that many Latin

American governments would create for themselves if they took strong anti-Castro actions at this time. Whatever frustrations this fact of life may cause us, and however much we think these countries should take the domestic risks necessary to achieve hemisphere solidarity, we need not automatically leap to the conclusion that these states are, by definition, against us and pro-Castro.

All this points to the probability that a lot of the anxiety on the part of the frustrated grows from a two-dimensional view of world events wherein everything not completely to the liking of the United States ipso facto advances the aims of the enemy. If we strike a balance sheet of "how we're doing in the cold war" in these terms we will inevitably come up with an unrealistically grim result, since we will be excluding the fact that, the world being what it is, there are a lot of things in it that are far from completely to the liking of the Soviets too.

Another premise in the thinking of these persons seems to be this:

Assumption 2: "Since the opponent's intention is to destroy us, it follows that ultimately it will be us or them, and the logic of the situation requires us to adopt as our objective his destruction, hopefully by means short of all-out war, but by that means if no other remains."

An additional source of frustration which the writer suspects seriously troubles many conscientious military men has to do with the ultimate objectives of the United States in our contest with the Soviet bloc. There are many who ask bluntly: Is our objective the destruction of the Soviet system, or is it not; and if not, aren't we fooling ourselves? These are fair questions, especially coming from men who have learned from the beginning of their careers the importance of having a clear understanding of the mission. What is the problem? What is the objective? are fundamental questions to military professionals.

There appears to be a general feeling among some military professionals that United States objectives in the cold war, because they do not apparently include the destruction of the Soviet system, are inconclusively defined, and this creates a mood of dissatisfaction and anxiety.

Reinforcing this mood is the fact that military professionals have a strong sense of the importance of knowing the enemy, his capabilities and intentions. It is precisely because there is plenty of evidence to support a strong conviction that the Soviet Union's objective is to destroy the United States and the capitalist West that our lack of a similar objective toward the Soviet system is so upsetting to many persons.

If there is anything that has been given a thorough airing in the past 10 years it is the threat presented to the West by the Communist powers. People who seem to make careers out of speaking and writing about the threat for the most part have rendered a valuable service, especially during the early years after World War II when the United States and the West were slow to understand the new world of changed power relationships in which the Soviet Union emerged as the dedicated and versatile enemy of everything we stand for. But as the years have gone by and every indication has pointed to a reasonably clear public appreciation of the nature of the struggle going on (witness the willingness of Americans to tolerate unprecedented levels of taxes and high government expenditures for security and foreign aid), there has developed in some quarters a pathological preoccupation with the threat to the extent that perspectives, both in domestic and international matters, have often become grossly distorted. Suffice it to say here that, important as it is to know the enemy and his methods, the extent to which some persons have become hypnotized by the threat has reinforced their tendency toward a red versus blue world view.

The question, nevertheless, arises: If you are confronted with a powerful and ruthless enemy whose announced intention is to destroy you by whatever means he can, what sensible ultimate objective can you yourself have other than the destruction of that enemy? There are those who take the view that indeed this must be our objective because eventually, given the character of Soviet leadership, it will be "us or them," and therefore we must consciously set out on a national program aimed explicitly to insure that it is "them." Yet, they ask, Where is the program that faces up to this logical objective? Containment of Soviet power within its present borders is all well and good as far as it goes, and efforts to strengthen the non-Communist world are fine, but can this course be conclusive as long as the Soviet Union and Communist China continue to exist with the unchanging objective of world domination?

In the same vein articulate spokesmen in the civilian sector of American life have publicly deplored the fact that nowhere in national policy does there apparently exist an objective to destroy the Soviet system and all it stands for; and, surprisingly, they say, no responsible public official seems to have stated that is in fact our aim. Such people come to the frustrating and, for them, irrefutable conclusion that, although it is vital to our survival that we adopt as our objectives the ultimate destruction of the Soviet system, this is not adequately recognized, nor are we taking action sufficient to achieve this objective.

Again, the source of frustration may lie in unexamined assumptions, in this case that the cold war will inevitably result in an "us or them" outcome, and that our objective must be identical in character with the Communists'.

What about the validity of these assumptions? There is little doubt that the Soviets and Chinese Communists see the conflict with the capitalist world in "us or them" terms, and if their apparent self-confidence in the future is not a complete facade, they eventually expect to triumph. Khrushchev and others have made this quite clear; and even though the current Soviet preference seems to be to lay us to rest by somewhat different means from those favored by Peiping, the result would be the same. But we would do well to recall that, according to the secular religion of communism, the thrust of history toward the inevitable defeat of capitalism is taken as predetermined, and is accepted as an article of faith. The destruction of our kind of society is an integral part of the Marxist faith, and is one of communism's built-in objectives. Thus, whether one thinks of Communist leaders as realistic, practical men motivated by nothing but the drive for power, who cynically use Communist ideology as a tool to manipulate the masses; or whether one considers them as truly committed to tenets of the Communist faith, there can be no doubt that Soviet intentions are to destroy the capitalist West as we know it—or, as they might put it, to facilitate the historical process.

The irony of the situation is that the frustrated fringe, although trained to plan against enemy capabilities, seems to insist that U.S. cold war objectives toward the Soviet Union be shaped by enemy intentions—and what is even more startling, that our ultimate objective be a mirror image of his. The result, in effect, is to let the enemy determine the ultimate character of one's own strategy.

A number of arguments can be raised against the conviction that our cold war objective must be the destruction of the Soviet system. First, however, it must be made clear that in speaking about our objective here we are not referring to something that we hope and wish would happen, but we are using the word in the sense of a specific condition in the world to be brought about by development of a national program of action by Government agencies, duly budgeted for, and purposefully implemented. If one does not accept the premise, as the Communists do, that the history of human societies follows a discoverable pattern leading to an inevitable result, then the way the future will unfold will not be determined by a grand design such as that revealed to the founders of communism and interpreted to the multitudes by the party elite, but will depend chiefly on the actions of men striving for goals of their own choice. If this is our view—and it is one that is consistent with our devotion to the idea that man has the inherent potential to shape his own destiny through democratic institutions—then we should not be bemused by the enemy's rhetoric about his intentions, and feel obliged to set the objectives of our strategy in his terms.

Our objective is not to dominate the world and to impose on it a foreign political system run from Washington. Hence, the fact that the Soviets must seek our destruction in order to impose their system on the world has an internal logic that does not apply for us. Destruction of the enemy is for us not a logical imperative imposed by the opponent's intentions or by our own goals in the world.

Nevertheless, Soviet power and intentions face us with great dangers and greater challenges. But the dangers lie less in the Soviet Union's intentions than in its capabilities, and we should not make the mistake of equating the two. Soviet intentions are unilateral in that there need be no external inhibitions on them. Many a man has intended to make a million before he reached 40, but this aspiration has often proved as visionary as we believe the Marxist dream of a communized world to be—not necessarily impossible, but certainly something that must be made real by more than mere intentions. It is up to us to see to it that the Communists' grandiose intentions are never matched by capabilities, since what they can do, unlike their intentions, depends in a crucial degree on our own actions.

Free world efforts and strategies must deal with the enemy's capabilities, and must insure that they fall short of intentions. The Communists' successes or failures in advancing their world goals will depend ultimately on whether the non-Communist world is able to confront the Soviet and Chinese systems on a long-term basis with the growing strength and prosperity of free societies, and thus to refute the Communist image of how the future will unfold. As one close student of these matters has expressed it:

"It has now become clear that the outcome of the so-called East-West struggle will be determined not so much by the military competition between the United States and the U.S.S.R.—although this is of great importance—but by the way in which the new states and the newly emerging states of the non-Western world organize themselves economically and politically in their efforts to modernize themselves and gain the benefits of an industrial civilization * * * the United States and the West must either lead in the process of modernizing the underdeveloped areas or, by default, contribute to a kind of world in which our institutions and values cannot survive." [1]

How long the Communist version of Utopia can be postponed without raising doubts among the faithful and semifaithful alike is uncertain, but continued deferment

[1] Gabriel A. Almond, "The American People and Foreign Policy," 2d ed., Frederick A. Praeger, 1960, New York, pp. xii, xx.

should not be without its disruptive effects. Less uncertain is that political societies undergo changes over time. There is no logical reason to believe that Soviet society is immune to the transformations which earlier societies have experienced. It is not a static entity. With the passing of the revolutionary generation, the emergence of new class structures including a middle bureaucracy and scientific elite, and with the acquisition of more of the fruits of industrialization, new concepts of what is in the national self-interest are bound to emerge, as indeed evidence now is beginning to reveal. Scientific and technological developments including those affecting weaponry modify power relationships. In the thermonuclear age, and under conditions when adversaries possess invulnerable retaliatory strategic forces, even Communists can be expected to see a large measure of self-interest in avoiding situations that carry serious risk of all-out war. Relations among the members of the Communist world are undergoing changes which cannot yet be fully assessed, but which point to greater diversity in outlook and policy than existed in the Stalin era. This is not to say that we can necessarily take comfort in these changes. It is to say the Communist states can be expected to act at least as much out of self-interest as out of implacable hostility to the West; and that, while the hostility may continue, estimates of self-interest will change in a changing world.

The most useful and realistic course for us may well lie in the direction of continuing to shape a world in which Communist leaders and their followers over time cannot escape the conclusion that the world is not moving exorably in the direction predicted in the Communist myth of the future; that free societies can cope with their internal problems without weakening themselves, and can forge together an international community which, if not always without its stresses and strains, is still willing and able to reject the Communist system. Perhaps our basic task is to convince the Soviet and Chinese leaders through the facts of the world that confronts them that, in spite of their doctrine and dogma, it may be too hard and too dangerous to try to eliminate us, and that there are other threats and dangers in the world to prepare for. Secretary McNamara may have been thinking along these lines when he said recently:

"We are resolved to continue the struggle in all its forms until such a time as the Communist leaders, both Soviet and Chinese, are convinced that their aggressive policies, motivated by their drive to communize the world, endanger their security as well as ours."

We can take for granted that Communist intentions will remain unchanged for a long time to come; but in a world in which change is endemic, and in which the resources of free societies give us the capacity to thwart Communist world aims, we need not be frustrated by a cold war strategy that, whatever else its shortcomings, places its emphasis on strengthening the free world against Communist encroachments rather than more dramatically, but less realistically, contemplating the destruction of the enemy.

An additional assumption, closely allied to the two discussed above, also appears to underlie attitudes of the frustrated fringe:

Assumption 3: "All of the serious and dangerous problems the United States faces today have been created by the Communist adversary; these problems are susceptible to and require solution; and the United States can solve these problems if only our people and their leaders have the will and the courage to act resolutely."

The red versus blue image of events in the world tends to create the impression that all the problems we face are the work of the enemy, whether in the form of difficulties at home or abroad. There is danger in this perspective, for when our society attributes the source of all troubles to the Communists, problems not of Communist origin fail to get attacked at their roots, and useful efforts to cope with them are often stifled. Furthermore, the adversary gains advantage from the suspicion and dissension that begin to pervade our society and divide our citizenry.

The great challenges the Nation faces domestically have not been generated by the Communists, no matter how much the Communist apparatus may try to exploit troublesome situations for its own advantage. Whether communism existed or not we would still need to grapple as a nation with a number of major challenges of which the following are significant examples: a growing population, burgeoning urban centers, and the resulting social consequences in terms of housing, transportation, delinquency, and education; attitudes on racial matters with their political and social disruptions; tensions that arise in labor-management relations and their impact on our economy. These and other domestic challenges, each with its troublesome array of problems, have their roots in our own distinctive national experience, and their origins have nothing to do with the East-West struggle.

In the world at large in mid-20th century forces are at work that the Communist conspiracy did not create: nationalism among peoples who previously had never been actors on the international stage and the irrepressible urges of such peoples to assert a sense of cultural and political identity; the collapse after World War II of colonial systems based on Western Europe with the political vacuums and economic disruptions that ensued; the explosion in science and technology which has given man an unprecedented ability to reshape his environment and has heightened his expectations of a better life. These are merely suggestive of a range of historical forces of epic dimensions that are shaping our century. They form the background against which the East-West conflict is waged, and they raise problems that would be challenging enough in their own right even if our contest with the Soviet system did not inject even greater complexity into the picture.

Those of us who are temperamentally disposed to view problems of this kind as susceptible of solution are thus confronted with a world which cries out for solutions to all its disruptions and instabilities because the problems are believed to be enemy inspired. Seen in this light, when perplexing situations affecting U.S. interests arise from dynamic forces in the world such as those cited above and not stemming from Communist machinations, they become sources of frustration. The frustrated are unable to visualize a world in which there are conditions that nations can hope at best only to adjust to, and whose unstabilizing effects can only be moderated rather than solved. There are those who find it hard to accept the fact that even the United States faces limits beyond which it cannot influence—let alone control—people and events.

All this may account for the proposals one sometimes hears in heated discussions that call for the United States to take courses of action whose impracticability is obscured by the desirability of the ultimate objectives they seek—liberation, the toppling of unfriendly regimes, unleashing of certain allied forces, sending of U.S. troops as a sure way to straighten things out. Such proposed actions are invariably extremist since they are strongly motivated by exasperation; misdirected since they are based on faulty estimates of the situation; and infeasible because they attribute to the United States an inordinate ability to influence the world around it by a combination of its power and its will.

It is the great good fortune of the military services—and the Nation—that the numbers of its professionals whose points of view appear to be shaped by the assumptions discussed here are in fact a minority. The writer has the impression that, although those who feel frustrated are often articulate, they are probably far outnumbered by those who do not see the world in such oversimplified terms.

Difficult and dangerous as the current world is, and insoluble as its problems may seem to be, it is of vital importance to military morale and to the proper role of the services in the national effort that military professionals are not overcome by a sense of frustration which results more from an incomplete view of the world scene than from reality itself.

SUPPLEMENTAL AIRLINES

Mr. CANNON. Mr. President, supplemental airlines cannot survive without a reasonable opportunity to participate equitably in civilian commercial air transportation. These small airlines depend upon flying charter groups to conventions and resort areas while also maintaining a fixed number of individually ticketed roundtrips each month between cities where there is a demand for low-fare air travel.

Currently, supplementals fly 10 roundtrips per month between such cities as New York, Los Angeles, San Francisco, Chicago, Miami, Honolulu, and Las Vegas. In addition these air carriers have responded effectively as a supplement to the air transportation needs of the Department of Defense. Their history includes prompt and successful participation in such vital airlifts as the Korean, Hungarian, Berlin, and DEW line for the military. Their efforts in these areas—in meeting the challenge of our airlift capability—have been rightfully lauded by the Air Force.

I want to state at this time that the business people of my State, and especially the residents of Las Vegas, Reno, Hawthorne, Lake Tahoe, Elko, Searchlight, and Tonopah, rely heavily on the charter groups, many of whom come to our State for national conventions and are flown by these qualified air carriers or by aviation organizations which provide all-expense tours for resort areas.

Since Nevada depends heavily on tourism these services are a life-and-death matter for many a community and for more than a few businesses.

I hope the Members of Congress and particularly those giving specific consideration to the supplemental air carriers bill, S. 1969, will include all-expense tour authority and thus provide the supplementals with an avenue of revenue through low-cost packaged charters which include hotel, food, and other costs.

This type of air transportation is vital to resort areas which cannot attract regularly scheduled airlines or which are faced with too few low-cost carriers to meet the needs of resort areas.

I also believe individually ticketed authority for supplementals should be encouraged under the guidance of the CAB. The supplemental airlines do not cater to the expense-account traveler. The person who utilizes the supple-

mentals saves for a vacation, travels on a budget, wants to see America, or is part of a fraternal or business charter group heading for a convention.

Indeed, the supplementals and charter groups cater to those 78 percent of all Americans who have never flown, oftentimes because they cannot afford to fly.

Unless the pending supplemental air carrier legislation includes both charter and individually ticketed civilian authority we will see the collapse of the whole industry. We will witness the prospect of many resort areas becoming depressed areas. And, certainly, we could not any longer count on the supplementals serving as a ready-made airlift for the military. Our failure to take proper and appropriate action would deprive the supplemental carrier industry of the opportunity to upgrade their equipment, depriving civilian and military interests from a vitally needed service. These carriers certainly deserve and need help.

They have a record of very high safety for the 16 years of their existence. They have served the Nation and are ready to do so now in the field of troop movements on an around-the-clock, day-to-day basis.

Certainly all of our experience in the domestic field and in the field of security demonstrate that we need to do everything we can to increase our airlift capability and expand our industries rather than harass and impede or eliminate a group which serve so useful and necessary functions.

The supplementals have demonstrated themselves to be unique in many different ways. They are unique in that they cater to people who seldom or never fly. As an industry they are unique because they do not harm or take business away from the larger commercial carriers; indeed, each year they introduce many thousands of new travelers into the field of air transportation. They are even more unique in that they have never been subsidized by the Federal Government nor do they seek a subsidy today. For these and many more reasons I believe that they strongly merit congressional authority to continue to serve the Nation.

WEST COAST SHIPPING STRIKE

Mr. LONG of Hawaii. Mr. President, until a few days ago when President Kennedy took the first steps toward invoking the injunctive provisions of the Taft-Hartley Act, few people on the mainland were aware of the threat which the west coast shipping strike was making to the life and economy of the State of Hawaii. The administration took early and vigorous steps to obtain a settlement, and when it appeared that a settlement would not be forthcoming in time to avert serious repercussions in Hawaii, the President very properly started procedures under the Taft-Hartley Act to obtain an 80-day cooling-off period. Everyone who has followed the course which the Kennedy administration has taken in labor disputes will have confidence the actions to be taken in this one will be based on consideration for the best interests of Hawaii and the Nation.

The circumstances of the strike and the necessity for resorting to the Taft-Hartley Act now draw national attention to the vexing problem of what the Nation should do in regard to a dispute which may victimize innocent bystanders—in this case, the people of the State of Hawaii.

An editorial in the Sunday Honolulu Advertiser of April 8, 1962, entitled "The Greater Right," emphasizes the need for a solution. Because of its national importance, I ask unanimous consent that the editorial be printed at this point in the RECORD, along with an article in the same edition of the Honolulu Advertiser including observations of the effects of the strike upon Hawaii.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

THE GREATER RIGHT

Even if the shipping strike ends quickly its aftereffects will linger for some time.

Many individuals and small firms will suffer losses they may never be able to recoup.

Hawaii is the innocent victim, injured by the shipowners, and unions who are supposed to serve it. But the owners and unions have seemed not to care what their dispute has done to these islands.

At least one point on which we agree with the shipowners is that the dispute with the maritime unions should go to arbitration. And we further agree with the owners that it is vital to develop some means by which in the future shipping interruptions can be avoided, at least on the Hawaii run.

The Pacific Maritime Association calls for a compulsory arbitration law. Under such a measure any shipping dispute would automatically be submitted to an arbitration panel. In effect, strikes would be outlawed.

This is drastic medicine. It would restrict an important industry in its freedom to settle disputes in the traditional manner by injecting government into the picture in a big way. In a sense it would handcuff both labor and management.

Students of the problem tend to oppose compulsory arbitration as incompatible with democratic society. It is pointed out that if wage disputes are to be submitted to a Government arbitrator, it follows that Government must also have authority to determine prices.

It is also said that if compulsory arbitration is applied in shipping then it must be considered for other major industries imbued with public interest such as steel, chemicals, atomic energy. Where would the line be drawn?

These considerations have great weight. But opposed to them is at least one of greater weight, the consideration of the public health, welfare, and safety of 700,000 persons who depend almost entirely on ocean commerce for the necessities of life.

For Hawaii, at least, shipping is endowed with many of the characteristics of a public corporation or utility. West coast-Hawaii shipping is not just another private operation, and its public nature is heightened by the fact the Federal Government pays millions in subsidy to guarantee the existence of a merchant marine.

Consequently, any strike in west coast-Hawaii shipping is a strike against the public—and it could be argued with some force that in a sense it is also a strike against the Government.

The right of a relative handful of shipowners and maritime workers to settle disputes through unrestricted economic warfare must be modified. Neither labor nor management should have the power to cripple an entire State.

We do not know if compulsory arbitration is the best solution. But we do know the people of Hawaii are tired of being victimized, of being used as pawns in an economic chess game.

Some way must be found to insure an uninterrupted flow of shipping to these islands. If the right to strike is curtailed perhaps the unions involved must be given offsetting benefits.

The solution is not just a responsibility of the National Government. The shipowners and the maritime unions themselves can help in devising an effective and mutually acceptable means for avoiding strangulation of Hawaii in future disputes.

It is time for the Federal Government to show awareness and sympathy for Hawaii's peculiar dependence on the shipping lifeline.

And it is far past time for the west coast shippers and maritime unions to show responsibility and regard for their public trust as stewards of the pipeline by which the people of these islands exist.

When this strike is over a permanent solution should be the first order of business for the Federal Government, the shipowners, and the unions.

ISLE CIVIC LEADERS RATE STRIKE EFFECT

What effect will the shipping strike—already the longest on Hawaii's waterfront since the 6-month tieup of 1949—have on the islands' economy and on the mainland?

Here are opinions given by some leaders in the community:

Richard Holtzman, vice president of Sheraton Hotels:

"We're keenly concerned in our industry that the strike will have a long-range damaging effect. We have cancellations into June. The unfortunate thing is that headlines have given people on the mainland the impression that guests here have hardly anything to eat—but we have a 6 to 10 weeks supply of food.

"To the islands the strike is damaging psychologically because everyone wonders about the transportation. There is every good chance that Hawaii will get a reputation (for being a strikebound area).

"Governor Quinn has done a yeoman's job. It would appear that the Taft-Hartley law might be the only way to bring relief."

James Shoemaker, vice president of the Bank of Hawaii:

"The best indication of what will happen is to go back to the strike of 1949, when we had a large amount of unemployment, a recession and the largest number of business failures. We're now in a better position to bounce back than we were then.

"If we get a pretty quick settlement, there won't be much to worry about. But a strike is cumulative in its effects, and each week there are mounting losses.

"We're moving into a period when many losses will be irrevocable.

"A cooling-off period would give us an immediate respite and also time to find a plan to deal with the strike. Any place affected by strikes is not going to encourage people thinking of investment. A lot depends on how much, how often."

Thomas Hitch, vice president of First National Bank:

"I'm inclined to think that the long range effects are worse than the short range effects. Every businessman here, and every businessman on the mainland, has as one of his biggest worries the threat of a shipping strike—it really disrupts business.

"All that selling effort [of the Hawaii Visitors Bureau, the State government, etc.] is really undermined by one strike. Take sugar, for example. When C. & H. is unable to supply its big customers, some of them say, 'Why in the world don't we deal with that beet company down the road?' "

Walter F. Dillingham:

"I have been disturbed by the question of short rations of food, and the question of how long we can go on. The strike is a jolt to everybody.

"The Taft-Hartley Act offers the most encouragement. Within the time limit established by law, the situation could clear up. I wish I could settle this thing for you."

Charles Braden, general manager of the Hawaii Visitors Bureau:

"We are concerned that Hawaii's reputation as a visitor destination area will be clouded if strikes such as this one continue to happen periodically. But we are convinced that it is possible for visitors to keep on coming during the strike because of the ability of the hotels and restaurants to stockpile food.

"On Thursday we sent 200 cables to key travel agents and Saturday we sent 4,000 bulletins to explain that the strike need not affect plans of visitors.

"We were a little concerned that people would wonder why we were trying to get yet more visitors when food is scarce, but this [more visitors] will minimize the effect of the strike on the Hawaiian economy."

Malcolm MacNaughton, president of Castle & Cooke:

"This strike is the same as the other two or three we had last year, or the 1949 strike. They establish in the minds of mainland people that we are subject to this transportation isolation.

"This is the bad effect—one that is lasting. It definitely affects the investment of business capital. We succeed in spite of this disadvantage.

"The thing that does concern us is that everyone is interested in an immediate settlement, with no consideration of the consequences. The shipping companies could settle this in 15 minutes—but that produces an increase in the cost of operating vessels.

"The Taft-Hartley injunction in itself doesn't solve anything. I believe the shipowners are doubtful about Taft-Hartley because they don't think that anything new would be produced."

Hawaii Teamsters President Arthur Rutledge:

"We've had a number of strikes and this one hasn't even gotten started. I think it'll be over a lot sooner than is the belief of many politicians who are trying to make hay. The Governor went out of his jurisdiction. He should have done business through the elected Congressmen of the State * * *.

"The effect of the strike? Hawaii, an isolated area dependent almost entirely on shipping, hasn't done too badly in spite of strikes, and has done better than some mainland communities. Hawaii will continue to do so in spite of these temporary inconveniences."

Herbert Cornuelle, president of Dole Corp.:

"It is true that people considering investment might look at work stoppages here as a handicap, and a person who is undecided might have his opinion crystalized. An interruption in transportation is one of the factors investors have to take into consideration.

"A long strike is crippling to us (the pineapple industry). It has resulted so far in a severe dislocation in pineapple stocks on the mainland. But the effect of a Taft-Hartley injunction now might make for a more critical situation at the peak of the shipping season.

"I don't think there is a simple, legal answer (to how to prevent future shipping tieups)."

Malato Dol, city council chairman:

"The strike will have an adverse long-term effect, but recovery will eventually take place. I don't think there will be any permanent damage.

"In the future, I think it might be a good idea to look for alternative means of transportation before we get into another strike."

Lawson Riley, president of McInerny:

"You can't get back what you've already lost, and it will certainly be hard for the Hawaii economy to recover if the strike goes on for any period of time.

"The strike hasn't had much effect yet. Our sales are ahead of last year despite the strike.

"We ought to have some Federal legislation, absolutely. The President has the power to go to Congress and ask for legislation to settle the strike after the 80-day-cooling-off period. I think Governor Quinn has been very aggressive in this matter. I don't know what more he could do."

Robert Hasegaws, executive secretary of the Central Labor Council:

"I don't think the strike in any way is going to determine whether new industry will locate here. Land, water, and roads will determine much of any new industry.

"You see, there is a misconception. People think that because Hawaii is in the throes of a shipping strike, Hawaii is completely cut off. But there are other lines that could serve Hawaii if the people would utilize them.

"What we should have is wideopen competitive shipping. If we're wholly dependent on one service, it's just too bad. I see no avenue to treat Hawaii differently than other States.

"As far as enacting laws to prevent strikes from throttling Hawaii, I don't think such legislation is legally or constitutionally possible.

"In my belief, if the Taft-Hartley Act is invoked, an injunction won't help the situation, except for 80 days, unless the parties are closer to settlement."

Mayor Neal Blaisdell:

"There may be permanent injury to some small businessmen—but our major industry will recover fully, completely, and in a minimum of time.

"I suppose the fact that there is always the possibility of being completely cut off from the mainland, would have an effect on investment capital. But I don't have any doubt whatever that Hawaii will continue high-level progress.

"Governor Quinn has been doing an excellent job. A Taft-Hartley injunction won't really solve anything, but it will give us time to restock our shelves and the bargaining parties time to settle down to real negotiations."

NEED FOR ADDITIONAL GOLD PRODUCTION

Mr. CASE of South Dakota. Mr. President, people of no less standing than officials charged with managing the Government's finances at various times are today more concerned about the outflow of gold than any other problem confronting the Nation.

There is one clear remedy to the gold shortage, that is to have more gold.

People who know nothing of the mining industry assume that gold is being produced because it pays to produce gold. Today it does not for ordinary mining conditions and ordinary management. I happen to have the honor of coming from a State where extraordinary managerial ability and experience of loyal and efficient workmen combine with an ordinary deposit to make possible the continued operation of the Homestake Gold Mine, the last of the great operating mines in this country.

But how long even the Homestake can continue to operate is problematical. The freezing of gold at $35 an ounce in 1934 and the maintenance of that fixed price coupled with the requirement that the gold from lode mines must be sold to the Government at that price in the face of mounting costs for drilling steel, chemicals, and all the other costs that go into deep underground mining have created the most adverse cost-price squeeze that can be imagined.

If the Government is going to persist in its monopoly and fixed price position, the least it can do, it seems to me is to adopt some such legislation as is proposed by Senate Joint Resolution 44, introduced jointly by Senators ENGLE and KUCHEL, of California, and myself. It would help to keep alive the producing mine or two now left and would offer the encouragement needed if other mines are to reopen and to increase the domestic production of gold.

At this point I submit for careful reading and ask to have printed in the RECORD an article which appeared in the New York Times of last Friday, March 9, 1962, recording the worst outflow of gold in many months, bringing stocks down to a $16 billion figure, whereas a few years ago they totaled over $22 billion. That means a loss of over $6 billion in 5 years.

The situation is serious and merits immediate and favorable consideration.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. GOLD STOCK DIPS $60 MILLION—1962 LOSS NOW $160 MILLION AGAINST $394 MILLION IN THE SIMILAR 1961 PERIOD—BANK RESERVES DECLINE—NET FREE RATE REACHES LOW OF YEAR FOR THE NATION'S RESERVE INSTITUTIONS

The U.S. monetary gold stock sustained its biggest weekly loss of 1962 in the week ended Wednesday when a $60 million erosion occurred according to a report by the Federal Reserve Bank of New York yesterday.

This raised the total gold loss since January 1 to $160 million compared with a loss of $394 million during the 1961 period.

The monetary gold stock is reduced when foreign central banks purchase gold for dollars at the rate of $35 an ounce. The Treasury is committed to selling gold at this price to official foreign agencies.

Dollars are accumulated abroad by central banks when the total outflow of funds from the United States exceeds the total inflow, giving rise to a balance of payments deficit. The U.S. balance of payments has been in deficit chronically since World War II.

FIVE-YEAR LOSS $6 BILLION

The U.S. gold stock now totals $16,730 million. The loss over the last 5 years has exceeded $6 billion. The loss in 1961, however, was about half the $1,700 million loss in 1960, and Treasury officials are hopeful that the worst years of loss have passed.

The U.S. gold stock is vital to the Nation's economic health since gold is the ultimate international money with which nations settle their debts. It is a universally accepted medium of exchange and in effect measures a nation's ability to meet its debts.

The Federal Reserve Bank of New York also reported yesterday that net free reserves of the Nation's member banks on an average daily basis had declines to a new low for the year during the week ending Wednesday.

Net free reserves reflect the lending capacity of the banking system. As the free reserve level declines, money conditions tend to become tighter. If declining reserves persist, credit costs—meaning interest rates—rise.

NET FREE RESERVES DIP

Average daily net free reserves of $350 million were down considerably from the $466 million level of the preceding week, as were actual free reserves as the week ended Wednesday of $491 million compared with $604 million on the preceding Wednesday.

Money market observers were not reading any special significance into yesterday's reported reserve declines, however. The Federal Reserve Open Market Committee usually buys or sells securities in order to keep the banks' free reserves at a desired level, but the results sometimes are off target.

Through January, for example, free reserves hovered above $500 million on weekly average. Beginning in February, however, the target level apparently had been reduced to about $400 million. But the latest weekly decline does not necessarily mean that the Federal Reserve authorities are moving more directly toward tighter money conditions.

Occasionally, substantial fluctuations in other factors that bear on the banks' reserve will take place. Last week, for example, there was a massive movement of cash out of the banks' vaults and into the hands of the public.

This development often takes place at the end of a month, when the Federal Reserve will attempt to compensate for the changing pressure on reserves by adjusting its open market operations. From time to time, the calculations are not exact and reserves rise or fall disproportionately with respect to the target level.

This seems to have happened a month ago. During the week ended January 31, average net free reserves were $470 million. On February 7, however, the level had declined to $384 million. By February 14, the reserve had gotten it back up to $427 million. In the next 2 weeks, some sharpshooting by the Open Market Committee returned levels of $421 million and $424 million.

If, of course, the next few weeks show free reserves persisting at levels substantially below $400 million, the inference then can be drawn that the lightening reflects policy rather than the vagaries of the open market.

The central bank in New York reported that business loans at major New York City banks fell by $14 million in the week ended on Wednesday, compared with a decline of $7 million a year earlier. At major Chicago banks there was no change last week; a year before there was a decline in business loans of $5 million.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

AUTHORIZATION FOR APPROPRIATIONS FOR ARMED SERVICES, 1963

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 9751) to authorize appropriations during fiscal year 1963 for aircraft, missiles, and naval vessels for the armed services, and for other purposes.

STEEL PRICE INCREASE

Mr. GORE obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Tennessee yield, if it is understood that, in doing so, he will not lose his right to the floor?

Mr. GORE. Yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, last evening the president of the United States Steel Corp. announced an increase in the price of steel. This news came as a great shock, surprise, and disappointment to me and, I am sure, to all those who have recently acclaimed what was thought to be a new attitude of economic statesmanship on the part of both management and labor in the steel industry.

This is a sorry end to an effort on the part of many, and particularly on the part of the President of the United States, to promote the national interest. United States Steel has pulled an end run before the ink is dry on a noninflationary wage contract.

During the past year we have enjoyed relative price stability. This is particularly significant in the light of the fact that we have been recovering from the 1960–61 recession. Unquestionably, this stability in retail prices is attributable in substantial degree to stability in the price of steel which is so basic to our economy.

Steel is one of the several large American industries dominated by the Big Threes or Big Fours on one hand and a powerful labor organization on the other. In such industries prices do not fluctuate in the classic response to supply and demand. They are arrived at by tacit agreement by the industry's leading companies and are known in modern economic parlance as administered prices.

In the post-World War II period generally steel price increases went into effect on an average of almost once a year. Steel wages and steel prices appeared almost to be engaged in a leap-frog operation. Each increase in labor cost was used by the steel companies as a justification for a further price increase, and the resulting profit increases were cited by labor as evidence of the steel industry's ability to pay higher wages. In any event the price of steel went up sharply and steadily and without any causal relationship whatever to the theoretical competitive influence of supply and demand. It has been estimated on the basis of studies that 40 percent of the rise in the wholesale price index of all manufactured goods from 1947 to 1958 was chiefly due to the fact that steel prices rose faster and farther than all other commodity prices.

President Kennedy, beginning late last summer, invoked the full prestige of his office in an effort to break this pattern. He sought, in the national interest, to promote orderly economic recovery under conditions of price stability. The action he took then to promote stabilization of steel prices and the action he took subsequently to promote restraint in demands for wage increases was, in my opinion, one of his most outstanding performances. Surely it was the most effective action ever taken by a President of the United States in the field of labor-management relations. United States Steel has this contract in the bag and now ups its prices, utterly disregarding the public interest.

You will recall, Mr. President, that an automatic wage increase was scheduled last fall under an existing labor contract in the steel industry. President Kennedy appealed directly to officials of the steel industry, urging them not to resort to a further increase in the price of steel, thus setting off an additional round of inflationary pressures. The fact that no general increase in the price of steel occurred was widely hailed as constituting assurance of continued price stability.

The degree to which the President's intervention may have influenced the steel companies in their decision not to raise prices cannot be precisely measured. Unquestionably, however, the President, serving as the focal point for an expression of the national interest, effectively brought to bear upon steel company officials the concern of the American people about another inflationary increase in the price of steel.

A similar objective was sought by a number of my colleagues and myself who discussed on the floor of the Senate in August last year the adverse impact upon our economy which would be brought about by another increase in steel prices. We endeavored to emphasize that the public interest—and the long-range interests of both the steel industry and its employees—would be best served by a hold-the-line policy with respect to steel prices and the negotiation of noninflationary labor-management contracts.

When the President appealed to steel industry officials last fall, he made it clear that he would urge restraint upon leaders of labor with respect to the contract provisions they might seek during negotiations for a contract to replace the one expiring on June 30, 1962. The steel industry accepted the President's promise. The President kept his pledge. His appeal, both to labor and to management last winter and, particularly, his intervention to bring about initiation of negotiations well in advance of contract expiration, culminated in agreement upon what is generally considered a noninflationary contract a full 3 months before the present contract terminates.

At this point, Mr. President, the American public had reason to believe that congratulations were in order all around. The modest increase in wage costs under the new contract was well within the margin of labor productivity increase that has prevailed in the steel industry in recent years. Thus, the new contract would not result in an increase in the unit production cost of steel and would, therefore, exert no upward pressure on

steel prices. Indeed, there was every reason to believe that continued price stability was assured during the period covered by the contract. On the floor of the Senate on April 4, I described the negotiations which culminated in this contract as "a noteworthy example of effective collective bargaining" and stated further that "All who were involved in the negotiations merit commendation for demonstrated economic statesmanship in the public interest."

The illusion that this contract meant continued stability in steel prices was rudely shattered by yesterday's announcement by Big Steel.

The feeling that the officials of United States Steel had become responsible economic statesmen was wiped away by this irresponsible "end run" after they had the noninflationary wage contract safely in the bag.

I do not suggest that there was any contractual commitment on the part of the steel industry to refrain from price increases, conditioned upon obtaining a noninflationary wage agreement. Nevertheless, I am constrained to observe that, coming as it did on the heels of the announcement of successful conclusion of labor negotiations, this action is in sharp contrast to what the American people had reason to expect from responsible leaders of American industry. I do not charge breach of contract, Mr. President, but I charge breach of faith with the American people and action contrary to the national interest.

Mr. Leslie B. Worthington, the president of United States Steel, in whose name the announcement was made, went to great lengths to justify this action. Aside from stating the price increase in terms of so much per pound, there are other aspects of the announcement which appear somewhat unusual and which seem to be founded upon somewhat strained logic, to say the least.

For example, Mr. Worthington asserts that a price increase is made necessary by "competitive factors affecting the market for steel." Since there is no real competition within the domestic steel industry, Mr. Worthington presumably refers to competition from foreign producers or, perhaps, from other products which compete with steel. Whatever may be the type of competition referred to, Mr. President, this is the first time I have heard of the pressure of competition forcing a price increase. But then, I am reminded that we are dealing with an industry that employs administered prices, and one should not expect normal rules to apply.

Nowhere in the United States Steel announcement is there reference to the relationship between unit costs and utilization of capacity. Recently our domestic steel industry has been operating at approximately 80 percent of capacity. Production is expected to decline in the months immediately ahead as the inventory buildup resulting from fears of a strike is worked off.

Perhaps, as pointed out by the senior Senator from Illinois on the floor of the Senate last August, United States Steel may be able to break even when operating at a rate of only 38 to 40 percent of capacity. As long as prices can be arbitrarily set at any desired level profits can be made however limited to the tonnage produced. But the fact remains, Mr. President, that as utilization of production capacity goes up, unit costs tend to go down, and vice versa. Thus it seems strange that the steel industry would seek to stave off competition by foreign producers and competing products by raising prices, which will depress demand, reduce utilization of production capacity, and raise unit costs.

I noted in the press of yesterday—or perhaps it was today—that the president of Bethlehem Steel Corp. was quoted as having expressed sentiments similar to those I have stated.

Mr. President, the restraint apparently exercised by the steel industry last fall led me to conclude that its officials were in some degree cognizant of the public responsibility they bear as managers of so large a segment of the Nation's economy. Unfortunately, it now appears that they were merely awaiting a propitious time to spring the trap. They hardly waited for the ink to dry on the new wage contract to announce that competition was forcing another price increase.

In recent years, there has been considerable discussion about the cause of periodic sharp increases in the price of steel. Some have described this phenomenon as a wage-price spiral. Others have described it as a price-wage spiral. Well, to the extent this theory has validity, we now know which is the correct descriptive term to apply.

Mr. President, the unhappy sequence of events climaxed by the United States Steel announcement serves further to convince me that we must give thoughtful consideration to the impact of administered prices upon the Nation's economy. We must find some way short of rigid price and wage controls to preserve and protect our free competitive enterprise system, and some way to protect the public interest.

Mr. President, existing law provides machinery which could be effectively used in the existing situation. Among other things, the Government is empowered to preserve the national interest under the authority granted to the Federal Trade Commission and the Department of Justice to proceed against monopolistic practices. I observe that at the present time there is sitting in New York a Federal grand jury now investigating alleged violations of the Sherman Act in connection with the marketing of steel castings. This investigation could quickly be expanded to cover the broader aspects of pricing and marketing practices in basic steel.

Mr. YARBOROUGH. Mr. President, will the distinguished Senator from Tennessee yield for a question?

Mr. GORE. I yield.

Mr. YARBOROUGH. At the present rate of consumption of steel, in a year's time what will be the increased cost of steel to the industry and to the economy of the United States at the increased price?

Mr. GORE. I do not have the answer to that question. Steel is so basic to our economy that an increase of $6 a ton in the price of steel means an increase in the price of automobiles, pots and pans, farm machinery, industrial machinery, roofing, nails, and fencing wire. Moreover, that increased cost is multiplied because, with our free enterprise mercantile system, the cost is pyramided since the manufacturer, the jobber, the wholesaler, and the retailer all have markups. So I am unable to calculate the cost. It will mean a rise in the cost of living. It will start another wage-price or price-wage inflationary spiral. The most basic business in our industrial economy is the steel industry. So the cost will be very great, though I cannot give an exact answer to the question.

Mr. YARBOROUGH. As the gross tonnage of steel production is manufactured into smaller items, such as knives, scissors, pots and pans, and automobiles, does not the cost of the manufacture of such items actually increase, too? Not only is the steel marked up, but by the time it is processed again, does it not cost more? We know there are losses through trimmings, and various materials are worked in with the steel for different purposes. It receives different treatment in the making of different objects. Does not the increased cost of the steel force an increase in the cost of such objects, when the base price of steel is raised a sizable number of dollars a ton?

Mr. GORE. The answer unquestionably is "Yes."

Mr. YARBOROUGH. I wish to ask the distinguished Senator from Tennessee another question. I have been receiving protests from my part of the country for a number of years about American steel being driven out of the market, particularly items such as barbed wire, different kinds of wire netting, and nails. People have written me that such items are imported into the Gulf States, move into the States of Texas and Oklahoma, among others, and drive American steel products off the market. Will not a price increase make it more difficult for American steel to compete with imported steel, particularly products that come from Germany, Belgium, England, and Japan? Are we not disadvantaged and placed in a noncompetitive position with the Common Market countries by a sudden markup of price after the President has gone to great lengths to persuade labor to agree to scale down its wage demands so that we may hold the price line?

Will the increase hurt us in our worldwide competitive position?

Mr. GORE. To small minds, such as mine, the answer would obviously appear to be "Yes." But Mr. Worthington has said that he is raising prices because of competitive pressures. I wonder if the able senior Senator from Texas, with his great learning and wide experience, can explain that statement to me?

Mr. YARBOROUGH. My learning has been too limited and my experience too narrow to explain the statement of the spokesman of the steel industry that he is raising prices in order to meet competition, when steel from Western Europe shipped to my section of the country is cutting American steel out of the market in certain types of products

such as nails, wire netting, and barbed wire. It seems to me that the increase will put us out of the market further at this time in competing with Common Market products.

Mr. GORE. As the Senator has said, many people are alarmed about international competition. Many have said that American business and industry was pricing itself out of foreign markets. The Senator has just said that the steel industry is pricing itself out of the U.S. market.

Mr. YARBOROUGH. Government contracts are being let in our part of the country—and I am certain that in other parts of the country contracts likewise are being let—which would require American contractors in building projects to use American steel. I think we should. We spend the taxpayers' money to construct buildings; therefore, the Government ought to require the use of American steel and the employment of American labor. In our section of the country we have had difficulties with some contractors trying to slip foreign steel into the construction of buildings, because it is so much cheaper than domestic steel.

I cite that situation only as another problem growing out of the sudden, unexpected increase in the price of steel. It arises after the great work of the President in reaching some kind of understanding, as we thought, in prevailing upon labor to hold down its wage demands so that prices could be held steady.

If the distinguished Senator from Tennessee is not the most knowledgeable man in the Chamber on the question of steel prices, he is one of the three or four most knowledgeable. I have not heard anyone else who has shown the depth of learning on that subject that he has. He has kept up with the recent negotiations between management and labor. Does the distinguished Senator from Tennessee regard the increase in the price of steel as a breach of faith with the President of the United States?

Mr. GORE. I am not sure that I could say it is a breach of faith. I think it is very near that.

Let me state what has happened, as I see it. To begin with, the Senator will recall the great controversy that was finally settled in a conference between former Vice President Nixon and steel industry officials. At that time it was generally rumored that an agreement was reached for a price increase after the election. An increase in the price of steel was well advertised last fall as being imminent. As I stated before the Senator entered the Chamber, and as I know the distinguished Senator from Texas will recall, President Kennedy, in an earnest and intense effort to break the cycle or treadmill of price inflation, cast the full weight of the Presidency into an appeal to the steel industry not to go through with the price increase which had been so well advertised. The senior Senator from Missouri [Mr. SYMINGTON] and the senior Senator from Texas [Mr. YARBOROUGH], among other Senators, took the floor of the Senate and pleaded with the steel industry not to cause another wave of inflation in prices and in the cost of living.

In his letter petitioning and urging, in the national interest, that the steel industry officials refrain from raising prices, the President promised to use the influence of his office to bring about restraint on the part of leaders of organized labor in the negotiation of a management-labor wage contract. The President kept his promise. But before the ink was dry on the contract, United States Steel, having a noninflationary wage contract in the bag, pulled an end run on the public interest.

Mr. YARBOROUGH. Mr. President, I commend the distinguished Senator from Tennessee for his forceful statement and the great contribution he is making by his narration today of what has happened and what might happen to our economy as a result. I believe that the Senate and the country are indebted to him for his fine work. I know what has been happening to retail steel sales in my own State because of the great increase in the volume of imported steel by people who say, "We ought to use American steel, but we must buy it where we can get it the cheapest."

My concern is that we are pricing American steel out of the market, and consequently many American workers will be thrown out of employment.

It is actually putting American workers out of work when they go out of our domestic market, and involves also a potential loss in the oversea market. I congratulate the Senator.

Mr. GORE. Though I am unwilling to say that it is a breach of faith with the President—I do not know to what extent there was an understanding between the President and the leaders of the steel industry—I do say it is a breach of responsibility to the public. It is a violation of the public interest. The leaders of the United States Steel Corp. have abandoned the role of economic statesmanship for which they were being commended only a few days ago.

Mr. SYMINGTON. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. SYMINGTON. It is true, is it not, that the price trend in the steel industry almost invariably follows the decision of the largest company, United States Steel?

Mr. GORE. Unquestionably the pattern has been that action by the United States Steel Corp., as the leader in the steel industry, in which there are only a few important producers, has quickly been followed, in the matter of raising prices, by similar action on the part of other steel companies. I would hope that this would not happen this time.

Mr. SYMINGTON. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. SYMINGTON. If it does happen, then the guarantee of further inflation is just around the corner, is it not?

Mr. GORE. It is an inevitable consequence of a rise in the price of steel.

Mr. SYMINGTON. The Senator who knows at least as much on this subject as any other Member of this body, and with whom I had the privilege of discussing this subject on the floor of the Senate several years ago, knows that if the rise in the price of steel goes through as an industry decision, the price of nearly everything else in the country can only increase. Is that not correct?

Mr. GORE. That is indisputable. Does the Senator know of any other commodity that is as basic to our industrial society as is steel?

Mr. SYMINGTON. No; I do not. I ask my able friend this question: Does he know whether, in the negotiations that were conducted by Secretary Goldberg and other representatives of the President, with the labor union involved, assurance was given, or opinion expressed, as to what the position with respect to prices would be if the labor request was acceded to?

Mr. GORE. I was not a party to these negotiations, and I am not informed in that regard, except that the wage contract was well within the limits of increased productivity. Therefore, the wage contract which has been negotiated, and which does not go into effect for another 3 months, even when effective will not exert an upward pressure on unit production cost because of increased productivity.

Mr. SYMINGTON. Let me remind the able Senator of what I am sure he remembers; namely, a dinner he and I had with Roger Blough and Conrad Cooper, who was close to Mr. Blough then. With earlier negotiations conducted over a period of weeks, even months, by the head of the union, and Mr. Cooper, as the representative of the steel corporation, it would be incredible for Mr. McDonald not to have asked something about the future of prices—and certainly it would have occurred to the Senator and to me—since he was talking to the man who represented the steel companies in the overall industrial negotiations.

Mr. GORE. I would be very much surprised to learn that no such conversation as the Senator has described was held.

Mr. SYMINGTON. I have read the address of the distinguished Senator from Tennessee and I commend him for it. He is making a distinct contribution to the past efforts he has made on this floor to avoid price increases and further inflation in the country.

Mr. GORE. I thank the Senator for his generous comments and for his encouragement. I should like to suggest that there may be some correlation between the issuance of restricted stock options and the price increase which was announced last night.

The Senator knows the market price for the stock of U.S. Steel. He will recall, I am sure, that it had been relatively stable for the past several weeks; in fact the price has been off a little. However, look what is happening to the stock market today. What is happening is an inevitable consequence of the announced increase in the price of steel, because this price increase means bigger profits, bigger dividends, more inflation. There are many consequences which are inevitable. I wished to call to the Senator's attention the fact that the top insiders of U.S. Steel were recently given

more very handsome restricted stock options, and they are worth a great deal more on the market today than they were yesterday.

Mr. SYMINGTON. As the Senator from Tennessee will remember, despite the 100-day strike in 1959, the profits, overall, of the large steel corporations were greater after taxes in 1959 than in 1958. That is a figure which I will always remember. It would be interesting to compare in some detail the profits as against capacity incident to recent operations. I hope the Senator, with his usual perspicacity, will devote some attention to that fact; namely, as to why it was necessary to raise prices now.

Whether or not it is, in the Senator's opinion, a breach of faith, it would be interesting to get the economic facts as to profits as against sales and investment, in the past year as against previous years.

Mr. GORE. That would be worthwhile information, and I shall seek to develop it.

Mr. SYMINGTON. I thank the Senator.

Mr. GORE. Mr. President, in this connection, United States Steel was one of the early option grantors. The restricted stock option was authorized in 1950. By January, 1951, United States Steel had approved the setting aside of 1,300,000 shares for 300 of its top management people.

The Securities and Exchange Commission reports for the 5 months up to and including February 1961 showed that six officers of United States Steel purchased 32,300 shares of stock under option. This represents a possible gift of $1,291,000. Mr. Blough purchased 12,000 shares. He reportedly draws regular salary compensation of $275,000, which should put him in the 90-percent tax bracket. Considering the difference between the 90-percent and 25-percent rates, the tax gimmick associated with restricted stock options was worth, perhaps, $300,000 to Mr. Blough on this one block of stock alone in 1961.

In 1959, the recipients of stock options from United States Steel Corp. exercised options for 152,685 shares of stock at prices ranging from $18.50 to $55 a share. These options were granted in various years beginning in 1951. The aggregate purchase price of these shares amounted to $7.5 million. When the options were exercised in 1959, the market price ranged from $88.25 to $108.88 a share—or an aggregate market value of from $13.5 million to $16.6 million. In other words, during the year 1959, the executives of United States Steel Corp. exercised options at a time when they could have realized a profit of from $6 million to $9.1 million on their stock options after holding them for the requisite 6 months.

Recently, the price of shares of stock of United States Steel Corp. has been around $68 a share. Perhaps this is not high enough to suit Mr. Blough. But the action on the part of the officials of United States Steel last night will add to the value of Mr. Blough's restricted stock options, on which, under the present tax law, no tax is owed at the time the option is exercised.

I suggest that the President of the United States urge the Federal Trade Commission and direct the Attorney General of the United States to intensify and accelerate efforts to enforce existing applicable statutes.

Specifically, I would like to call to the attention to our enforcement agencies the fact that in 1951 the steel industry entered into a consent order with the Federal Trade Commission under which its members were ordered to cease and desist from entering into any "planned common course of action, understanding or agreement" to adopt, establish, fix, or maintain prices. It would appear to me to be at least prima facie evidence of a violation of this consent order of the other steel companies now follow United States Steel in raising prices about $6 per ton.

I suggest further, Mr. President, that Congress should promptly begin the consideration of legislation to provide additional machinery for the protection of the national welfare. In situations similar to that which pertains in the steel industry such legislation might follow one of the following approaches:

First. Congress should consider the establishment of a quasi-governmental organization that might be called a National Consumers Advisory Board. Such an agency should include representatives of the press, big and small business, labor organizations, academic institutions, religious groups, welfare organizations, service organizations, and the like. It should be a permanent organization, chartered by the Federal Government with a permanent staff and secretariat paid from Government funds.

Local or regional problems could best be considered by boards also set up at those levels. But when a national problem arises, such as the price of steel or the wage level for the whole industry, the National Board should operate with the advice of local and regional boards on anticipated local effects and sentiment. A major function of the boards at all levels would be, of course, to disseminate their views and findings in order to mobilize public support.

Since the activities of the National Board would cut across many departmental lines, it should report directly to the President. Upon its recommendations the President might—as he did last September—use his influence to persuade the steel companies that it is not in the national interest—or in their own narrow interest, in the long run—to raise steel prices. Or he might use conclusions of the Board to buttress an appeal for restraint, such as he urged upon labor leaders this year. The formal support of an alerted and informed public would, I believe, do much to enhance the success of such efforts in the future.

Second. Congress should consider applying to proposed price increases in monopoly-controlled basic industries a type of injunctive cooling-off period similar to that which is available under the Taft-Hartley law for application to strikes which threaten to imperil the national health and safety. The imposition of a waiting period of reasonable length would, I believe, focus national attention on the impact upon the economy resulting from such price increases and would permit the formulation of a consensus of the national opinion relative to the justification for such price increase, or the lack thereof.

Third. If measures of the type described above prove to be inadequate, Congress should consider application of utility type regulations to the pricing policies of monopoly-controlled basic industries similar to the manner in which various Government agencies now regulate prices in other fields characterized by monopoly control such as railroad, air, truck, and bus transportation rates, pipelines, communications, electricity, and other fields. I realize that this latter proposal may be considered by some as drastic, but in the final analysis the Government must not stand idly by permitting victimization of the national interest.

Mr. President, I am now preparing proposed legislation for early introduction in each of the above areas. I hope Congress will give immediate attention to those proposals.

Mr. MOSS. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. MOSS. I commend the Senator for his able exposition of this subject, and express my deepest concern about the problem he is discussing.

When I opened my newspaper this morning and read that United States Steel Corp. had increased the price of steel $6 a ton, I was as shocked as I would have been had I read that the Nation had become engaged in an actual conflict, because I think the danger from a rise in steel prices is probably as great as if the country were engaged in some overt conflict.

Had not the assumption been all along during the recent negotiations that management and labor would both show restraint; and does it not appear now that the representatives of labor exercised restraint in negotiating the contract?

Mr. GORE. I think there was widespread belief that that restraint on the part of the industry, in response to the appeal last year of the President, and the restraint just recently on the part of labor—again in response to an appeal by the President, in the public interest—both having resulted in a stabilization of prices and wages in the steel industry—had brought us happily to a significant break in the treadmill of price and wage inflation. So, Mr. President, just as the Senator from Utah states that he was shocked when he read of it this morning, I believe the overwhelming proportion of the American people were shocked, and I daresay many of them were angry.

Mr. MOSS. The size of the increase is very considerable; and following, as it does, within a matter of days the conclusion of the negotiations, it casts great doubt, it seems to me, on the good faith of the industry's representatives in bargaining for the latest agreement.

Mr. GORE. Well, it is a 3½-percent price increase. Of course, if the wage contract had provided a significant increase in the wages of the steelworkers, perhaps an increase of $6 a ton in steel

prices would have been considered permissible.

Mr. PROXMIRE. Mr. President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. PROXMIRE. I wish to join in the general commendation of the distinguished Senator from Tennessee. It is most characteristic of him that, on such short notice and on the very day of the announcement of the increase in the steel prices, he is prepared to give so perceptive and so well analyzed a speech on this subject. I think it is a great contribution.

Let me say that no more damaging decision to the hopes for a stable economy has been made by any group in our society, than the decision made and disclosed last night by the United States Steel Corp.

I should like to ask the Senator from Tennessee if it is true that the real statesmanship demonstrated by the Steel Workers Union, and particularly by the steelworkers themselves—because, of course, they approved the agreement—in forgoing any wage increase and in taking a very, very modest fringe benefit increase, amounting to 2½ percent, and the whole sacrifice they made seems to have been in vain, in view of the decision which has been made by the United States Steel Corp.

Mr. GORE. In the common vernacular, the steelworkers might very well conclude that they have been "had"; and I should think the President of the United States might have a feeling not very dissimilar. It will certainly make wage negotiations more contentious and more difficult in the future.

I was genuinely encouraged—so encouraged that only last week I took the floor of the Senate to ccmmend the leaders of the steel industry, the leaders of organized labor, and the President of the United States for having finally achieved a significant break in the treadmill of inflation. But now this price increase happens. I was shocked, as was also the Senator from Utah.

Mr. PROXMIRE. Is it not true that an equal contribution to stability—that is to say, equal as compared with the very fine contribution made by the administration in persuading the steelworkers to accept stability in wages—was made by this new concept—which had been conceived of by the administration—of a wage policy tied to general productivity increases? I know that administration representatives testified in great detail before our Joint Economic Committee; and they had high hopes of this concept, and it seemed to be a magnificent contribution. Certainly it is most important for the steel industry, which is a bellwether to accept it—perhaps more so than any other industry in our society; and in the steel industry the plan seemed to be working.

But now this concept has been gravely damaged; and I ask the Senator from Tennessee if it is true that next year, when the contract will come up for renewal, will it not take the greatest restraint and the most amazing kind of statesmanship for the leaders of the steelworkers again to agree not to demand wage increases, instead of demanding whopping increases.

Mr. GORE. Certainly the burnt child dreads the fire. After having indulged in the assumption that a favorable response to such an appeal by the President of the United States to exercise restraint, in the public interest, would result in a stabilization of the price level, and then to see this "end run" before the ink of their signatures to the agreement had dried, would certainly raise doubt hereafter as to the intentions, if not the integrity, of the leaders of the United States Steel Corp.

Mr. PROXMIRE. Does not the very dramatic experience we have now seen in the steel industry make it extremely difficult for the President, the Secretary of Labor, and others to extend to other industries this concept of restraint on the part of the workers and a recognition of their responsibility for price stabilization?

Mr. GORE. Yes, it is a most discouraging blackjacking of this concept. This concept—although some of the labor leaders did not endorse it—held out to the workers in the United States whose products are becoming subject to increasing competition from abroad, the hope that there was a sound way to obtain a wage increase; namely, by means of more efficient production and increased productivity; and the contract negotiated with the steelworkers was within the framework of increased productivity. But now the United States Steel Corp. has blackjacked the entire concept.

Mr. PROXMIRE. Is it not true that despite substantial wage increases, it has been possible for the steel industry, because of vast increases in steel prices, to make a profit at a lower and lower capacity operation, so that whereas a few years ago it was necessary for the steel industry to operate at 70 percent of capacity in order to "break even," today it can operate—according to testimony given before the Joint Economic Committee, and not contested by the steel industry—at approximately 40 percent of capacity, and still make money? So today, when the steel industry is operating at perhaps 65 percent or 70 percent of capacity, it can make a great deal of money?

But when the steel workers agree to keep their total increases—in this case, fringe-benefit increases—below 3 percent, as they have, the annual 5-percent increase in productivity on the part of the steel workers, which has occurred regularly—as has been established, would automatically have given the steel companies higher profits, even if the steel industry had maintained their prices. So is it not true that there was a good case for having the steel companies cut their prices, this year, rather than increase them? Is not that correct?

Mr. GORE. Yes, I think there is a good case for it. However, the steel companies seem to operate on the basis of some strange economics. The United States Steel Corp. says this price increase is forced upon it by competitive pressures. I do not quite understand that statement.

Mr. PROXMIRE. I noticed that statement, too. It was one of the weirdest remarks I have heard. The corporation's officials said competitive pressures have compelled the steel price increase. But if that is so, and if steel produced in this country is thus priced far above steel produced abroad, that will mean decreased steel production in the United States, and will mean, in turn, decreased production in this country generally, and decreased employment in the United States, and in many areas it will mean a very sad situation for our economy.

Mr. President, I thank the Senator from Tennessee for his very sound statement.

Mr. GORE. I thank the Senator from Wisconsin for his very generous remarks.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CHURCH. I want to join with my colleagues in commending the Senator from Tennessee. This is not the first occasion when he has directed the attention of the Nation to the steel problem and the central role that steel plays in the Nation's economy.

I too was shocked when I learned the news, and I think it might be helpful to read into the RECORD certain paragraphs from this morning's paper which disclosed to the Nation the fact that United States Steel had decided to raise its price $6 a ton. The article reads:

> The United States Steel Corp.—Big Steel—last night ignored President Kennedy's plea for price restraint and announced it would lift steel prices $6 a ton.
>
> The new price boost is one-third higher than the $4.50-a-ton increase that the industry last imposed in 1958. That one was the 12th round of price increases by steel since the end of World War II. The absence of a steel price rise since 1958 has helped hold the index of wholesale prices virtually stable in this period.

I should like to ask the Senator if it does not follow that, since steel figures in the cost of everything from hairpins to aircraft carriers, this rise will doubtless trigger off another round of inflation?

Mr. GORE. The experience which we have suffered—and I say "suffered"—from previous increases in the price of steel makes it unmistakably clear that an increase in the price of steel means an increase in the prices of millions of articles and items of service. In fact, it has been estimated, on the basis of competent studies, that 40 percent of the rise in the wholesale price index of all manufactured goods from 1947 to 1958 was chiefly due to the fact that steel prices rose faster and further than all other commodity prices.

Mr. CHURCH. Is it not also true that, although wages have increased very substantially in the steel industry since the war, on each occasion when a new wage contract has been entered into United States Steel has followed, within a few months, with price rises not only compensating for the wage increase, but going far beyond?

Mr. GORE. Oh, yes. A great deal of the expansion of steel facilities has been by what is called internal financing, by charging higher prices.

Mr. CHURCH. Does the Senator know of any data revealed in any of the exhaustive studies undertaken by the Senate and the House committees and other departments of Government which would indicate that current profits in the steel industry have fallen so low as to warrant this price increase?

Mr. GORE. I do not, indeed. As the Senator from Wisconsin said, a very good case could be made, by the rules of ordinary economics, for a price decrease.

Mr. CHURCH. I know of nothing in any of these studies which would justify the price increase that has been announced this morning. I put the question to the Senator from Tennessee because he is an expert in the field.

Mr. GORE. Well, I thank the Senator, but I do not claim to be an expert. I am a concerned student.

Mr. CHURCH. But I would make this comment in view of what we know about the fiscal condition of the steel industry in this country. It seems to me it is a very novel argument made by Mr. Blough when he says that United States Steel needs this increased price in order to strengthen its economic position by safeguarding its profits, in view of competition that it faces, and then he proceeds to admit, in the same announcement, that the price increase will make United States Steel less competitive with foreign steel and other substitute products.

It seems to me this is a non sequitur, which reveals that the primary motivation is to increase short-term profits for the ownership, and not to strengthen the long-term competitive position of American steel with respect to foreign steel or substitute products.

Would the Senator not agree with that statement?

Mr. GORE. I agree, and go further and say that in my view it is a contemptuous disregard of the public interest.

Mr. CHURCH. Let me ask one final question, because I concur wholeheartedly in what the Senator has said. In view of the fact that steel has such a far-flung impact upon all other industries in our modern economy, would the Senator not agree it is as much affected with the public interest as are private utilities and railroads?

Mr. GORE. I do, indeed. In fact, I do not think there is a factor in American economic life that is more basic to our industrialized society, or perhaps as basic as steel prices.

Mr. CHURCH. I think that proposition cannot be argued. Now we have imposed public regulation upon the railroads and upon private utility companies after long and sad experience demonstrated that they could not be relied upon to manage their own rates and conduct their own favored monopolistic position in our economy in such a way as to safeguard the public interest.

Because of what happened yesterday, and in view of the whole record of United States Steel in particular, and the steel industry in general, since the close of the war, I concur wholeheartedly with the Senator from Tennessee that the time may be on hand for us to examine the propriety of extending public regulation to the steel industry in such form as will insure the American public of the safeguards needed to protect the public interest.

I feel that the Senator from Tennessee has made a most significant address. I am only sorry that our friends from the opposite side of the aisle have not seen fit to join in the criticism the Senator from Tennessee has expressed today, because his arguments are incontrovertible on the facts. Unless we come to grips with the problem of inflation and of unjustified price increases, we will find ourselves priced out of the markets of the world, and all the people of America will be the victims of that process. It is the responsibility of the Government of the United States to move forward in whatever way is necessary to prevent that from happening.

I thank the Senator from Tennessee for his excellent address.

Mr. GORE. I wish to thank the distinguished and brilliant junior Senator from Idaho for his generous remarks and also to thank him for the encouragement of his support. The public interest must be protected. What is the reason for the U.S. Senate? For what better purpose are we here than to act in protection of the national interest, threatened as it is not only with inflation at home, but with an imperiled position in international economics, adverse balance of payments, flight of gold, increasing competition in international commerce? And yet we are faced with this contemptuous disregard of the public interest by extremely powerful vested interests.

Mr. RUSSELL obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Georgia yield briefly, with the understanding that he will not lose his right to the floor?

Mr. RUSSELL. I am glad to yield to the majority leader.

Mr. MANSFIELD. I had intended to compliment the distinguished Senator from Tennessee for the outstanding job he did today on such short notice. As was true on yesterday in the field of foreign policy, today the Senator has performed a public service in the field of domestic policy. I am delighted he has taken the time and the energy—I know he put in long hours last night in drawing up his speech—to bring to the attention of the Senate and of the people of the country the situation which exists because of this unexpected, unanticipated and unwanted action by United States Steel Corp.

It is my hope that the United States Steel Corp., which is considered to be the bellwether for the steel industry, will not be followed in this respect this time by others in the steel industry, but that the others, unlike the United States Steel Corp., will show a degree of business statesmanship which we thought had been effectuated when the contract recently was signed between the steel producers and the steelworkers.

Again I recommend the Senator from Tennessee for a great job.

Mr. GRUENING. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield to the Senator from Alaska.

Mr. GRUENING. I thank the Senator from Georgia. I wish to join my colleagues in commending the Senator from Tennessee for his very workmanlike and thorough analysis of the unfortunate situation which has developed.

I read the Senator's article on how to meet the steel situation, in the current issue of Harper's magazine, and I had intended to have it reprinted in the RECORD. I think it should be printed in the RECORD, to show what a statesmanlike approach the Senator has to this important subject and how his knowledge has enabled him, only a few hours after the announcement of the steel price increase, to make such a thorough, scholarly, and comprehensive address.

It was a shock to all of us to hear the announcement that United States Steel Corp. was to raise the price of steel $6 a ton. It was a blow to the efforts of President Kennedy to maintain stability in the wage-price cycle, and to stop inflation. We had all hoped he had succeeded. It is rather shocking, after the agreement—in which there appeared to be an implicit or tacit understanding that if labor refrained from asking for wage increases the steel industry would not ask for price increases—to see what has now come about, and to what a degree. I think it is a very serious situation.

The Senator from Tennessee has proposed various remedies, for the future. I wonder whether the Senator has any suggestions as to how we can meet the immediate crisis—as to whether it might be possible, in view of the disastrous consequences which are very likely to ensue, to persuade the United States Steel Corp. to take another look, in terms of withdrawing the price increase; and likewise to work, as our majority leader has indicated, with the other steel companies, in the hope that they will not follow the example of the United States Steel Corp.

Mr. GORE. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. GORE. First, I thank the Senator from Alaska for his very generous remarks. I also thank the distinguished majority leader.

In response to the Senator's question, the President of the United States is the only man in our Government who speaks for all the people, who was chosen by all the people, who is responsible directly to all the people. It is the Presidency, more than any other agency, in which the public interest is focused.

The President of the United States, more than anyone else, can bring the public interest to bear. Therefore, I would hope that President Kennedy would not let the sun set again before appealing once more to the steel industry to exercise restraint, to refrain from inflationary action in regard to steel prices.

I would hope that the President would ask the United States Steel Corp. to reconsider, and to rescind its action. I hope the President will ask other companies, in the event the action is not rescinded, to refrain from following it.

Unless there is compliance with both requests, it seems to me that the Congress will have no choice other than to act. The public interest is being

thwarted, disregarded, threatened and challenged.

Mr. GRUENING. Has not the Senator from Tennessee noticed, throughout the last year or two, full-page advertisements by large industrial concerns pointing to the evils of inflation and repeating the theme, "Inflation is our enemy; inflation robs us of our savings"?

This is an example of the bellwether of American industry really taking a drastic step towards creating inflation.

Mr. GORE. It is a sad experience.

Mr. GRUENING. Is it not also a fact that the steel industry has been complaining of foreign competition and pointing out that, with lower wage scales in foreign countries, it is expected to be increasingly difficult, if not impossible, to compete with imports. The action of raising the price of steel $6 a ton runs directly contrary to these complaints and arguments, which the industry has been advancing.

Mr. GORE. I know of no way to rationalize the actions.

Mr. GRUENING. The Senator has read the justification published in the morning newspapers by the steel companies. Does that appeal to him in any degree as a logical presentation?

Mr. GORE. It surely does not.

Mr. GRUENING. That was my impression.

Again I congratulate the Senator from Tennessee for his masterful presentation of this subject and for bringing it before the country.

I thank the senior Senator from Georgia for his courtesy in yielding.

Mr. RUSSELL. I was glad to yield.

Mr. GORE. I thank the Senator also for yielding.

Mr. RUSSELL. I was glad to yield for such a worthy purpose.

Mr. JAVITS subsequently said: Mr. President, there has been a considerable lag in time between the presentation earlier this afternoon of the views on the steel price increase by the distinguished Senator from Tennessee [Mr. GORE] and now. Because the debate should appear in the RECORD as a unit, I now ask unanimous consent that my remarks—and perhaps other Senators will make a similar request—follow those of the Senator from Tennessee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, it is widely recognized, and, indeed, the statement of the President of the United States at his press conference so indicates, that the price increase in steel is a very serious matter. It came very suddenly, at least to those of us who had no notice of it; apparently the President did not know of it until yesterday.

Mr. President, it is not a development to be cheered. It is a development to be deplored. But, at the same time, it is a development in our economy. We pride ourselves on the fact that we have a private enterprise economy, and therefore we absorb the advantages with the disadvantages which such a system entails.

Up to the moment of the increase, all of us were very anxious to see a steel price increase avoided. We thought it could only lead to another inflationary spiral. We thought, when the contract was made with the employees some days ago, that it obviated the likelihood that there would be a need for a price increase, and that was all to the good. Nevertheless, the United States Steel Corp., which we all know to be the leader in the industry, has announced a 3½-percent price increase, and although we hope it may not, the price increase will probably be followed by other steel companies.

I think the big question which affects us now is: First, what will happen in the economy generally; and second, what will happen in the case of steel itself?

So I think it is important that Members of the Senate make themselves heard, and very early in the game. For one, there is absolutely no requirement that this rather small increase in the price of steel, 3½ percent, should necessarily extend throughout the whole price structure. Steel prices have not increased since 1958, but some increases have taken place in wholesale and consumer prices generally. It seems to me the increase is sufficient to leave some slack so that the steel price increase may not affect the total price structure. I think we have the right to express our expectation that, by and large, there will be no material effect on the total price structure of the increase in the steel price.

The president of the United States Steel Corp., Leslie B. Worthington, who gave a statement on the price increase, pitched the justification for the increase heavily on two points.

Mr. President, I ask unanimous consent that the text of the statement may be made a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TEXT OF UNITED STATES STEEL'S STATEMENT ON PRICES

Since our last overall adjustment in the summer of 1958, the level of steel prices has not been increased but, if anything, has declined somewhat. This situation, in the face of steadily mounting production costs which have included four increases in steelworker wages and benefits prior to the end of last year, has been due to the competitive pressures from domestic producers and from imports of foreign-made steel as well as from other materials which are used as substitutes for steel.

The severity of these competitive pressures has not diminished; and to their influence may be attributed the fact that the partial catch-up adjustment announced today is substantially less than the cost increases which have already occurred since 1958, without taking into consideration the additional costs which will result from the new labor agreements which become effective next July 1.

Nevertheless, taking into account all the competitive factors affecting the market for steel, we have reluctantly concluded that a modest price adjustment can no longer be avoided in the light of the production cost increases that have made it necessary.

MODERN PLANT NEEDED

If the products of United States Steel are to compete successfully in the marketplace, then the plants and facilities which make those products must be as modern and efficient as the low-cost mills which abound abroad and as the plants which turn out competing products here at home. Only by generating the funds necessary to keep these facilities fully competitive can our company continue to provide its customers with a dependable source of steel, and to provide its employes with dependable jobs. But the profits of the company—squeezed as they have been between rising costs and declining prices—are inadequate today to perform this vital function.

Our annual report, published last month, shows clearly the effect of this squeeze.

In the 3 years since the end of 1958, United States Steel has spent $1,185 million for modernization and replacement of facilities and for the development of new sources of raw materials. Internally, there were only two sources from which this money could come: depreciation and reinvested profit. Depreciation in these years amounted to $610 million; and reinvested profit, $187 million—or, together, only about two-thirds of the total sum required. So after using all the income available from operations, we had to make up the difference of $388 million out of borrowings from the public. In fact, during the period 1958–61, we have actually borrowed a total of $800 million to provide for present and future needs. And this must be repaid out of profits that have not yet been earned, and will not be earned for some years to come.

During these 3 years, moreover, United States Steel's profits have dropped to the lowest levels since 1952; while reinvested profit—which is all the profit there is to be plowed back in the business after payment of dividends—has declined from $115 million in 1958 to less than $3 million last year. Yet the dividend rate has not been increased in more than 5 years, although there have been seven general increases in employment costs during this interval.

RISING COSTS CITED

This squeeze, which has thus dried up a major source of the funds necessary to improve the competitive efficiency of our plants and facilities, has resulted inevitably from the continual rise in costs over a period of almost 4 years, with no offsetting improvement in prices.

Since the last general price adjustment in 1958, there have been a number of increases in the cost of products and services purchased by the corporation, in State and local taxes, and in other expenses, including interest on the money we have had to borrow—an item which has jumped from $11,500,000 in 1958 to nearly $30 million in 1961.

And from 1958 through 1961, there have been industrywide increases in steelworker wages and benefits on four occasions amounting to about 40 cents an hour, and also increases in employment costs for other employees. These persistent increases have added several hundred million dollars to the employment costs of United States Steel, without regard to future costs resulting from the new labor agreement just negotiated.

In all, we have experienced a net increase of about 6 percent in our costs over this period despite cost reductions which have been effected through the use of new, more efficient facilities, improved techniques, and better raw materials. Compared with this net increase of 6 percent, the price increase of 3½ percent announced today clearly falls considerably short of the amount needed to restore even the cost-price relationship in the low production year of 1958.

ADDS TO COMPETITION

In reaching this conclusion, we have given full consideration, of course, to the fact that any price increase which comes, as this does, at a time when foreign-made steels are already underselling ours in a number of product lines, will add—temporarily, at least—to the competitive difficulties which we are now experiencing. But the present price level cannot be maintained any longer when our problems are viewed in long-range perspective. For the long pull a strong,

profitable company is the only insurance that formidable competition can be met and that the necessary lower costs to meet that competition will be assured.

Only through profits can a company improve its competitive potential through better equipment and through expanded research. On this latter phase we are constantly developing lighter, stronger steels which—ton for ton—will do more work and go much further than the steels that were previously available on the market. They thus give the customer considerably more value per dollar of cost. As more and more of these new steels come from our laboratories, therefore, our ability to compete should steadily improve. But the development of new steels can only be supported by profits or the hope of profits.

The financial resources supporting continuous research and resultant new products as well as those supporting new equipment, are therefore vital in this competitive situation—vital not alone to the company and its employees, but to our international balance of payments, the value of our dollar, and to the strength and security of the Nation as well.

Mr. JAVITS. One point is the allegation that the price increase is absolutely essential to allow the company to modernize and reequip and develop new sources of raw materials.

At the end of the statement, it is indicated that the avails are expected to be used in supporting continuous research. It states:

The financial resources supporting continuous research and resultant new products as well as those supporting new equipment are therefore vital in this competitive situation—

And so on. These are desirable objectives—we expect they would be achieved, however, without a price increase. They are in contemplation in the new tax bill now being considered by the Finance Committee. It is emphasized that great efforts are being made to cut the weight of steel, and thereby to do with less steel a great many tasks which heretofore have taken more steel in weight—and steel is sold by weight.

In short, the steel industry by this type of action is very likely to get in hot water with the people of the United States, who did not look for such a development, who thought confidently that a price increase has been forestalled.

It seems to me that, if the industry wishes to restore itself in the public's eye, it can do so by utilizing and making available through the price increase effective research and modernization which will bring down the price of steel to the consumer—which is the acid test. It is my opinion that the industry will incur an adverse opinion and reception if it does not assure the public that that is precisely what it will do with the proceeds of the price increase, and do it effectively and be in a position, in the very reasonably near term, to go forward along those lines.

I heard the interesting presentation of the views of the Senator from Tennessee [Mr. GORE]. I think he instructs us in what to do, in a sense, and what not to do in this situation.

I, too, deplore the price increase and feel that it represents a getting of the industry into "hot water" with the public, which is not a very good thing for American business generally.

Yet, I must say I cannot go along with a threat to business, to prosecute under the anti-trust laws, or through action by the Federal Trade Commission or by some other agency under the law, as contained in the Senator's presentation. It seems to me, speaking now as a lawyer, if a business is guilty of a violation of the antitrust laws, of the Federal Trade Commission Act, or of the Clayton Act, that business should be prosecuted whether or not it suddenly puts out a price increase. I think it depreciates our argument and writes it down somewhat if we take the position, "Well, since they have increased prices we are going to throw the book at them and go after them with respect to all the laws applicable to competition."

When the Senator suggests various alternatives which the country may have to adopt, if it faces serious problems of this character in respect to prices, that is another matter. One may differ with the Senator from Tennessee upon the particular ideas he presents. It so happens I like very much the idea of some consumer medium in the country, whether it be a Department of Consumers, or a Joint Committee of Consumers in the Congress. On the other hand, I may not agree with some other aspects of the possible legislative remedies.

Certainly every Senator is entirely within his rights, and I think proceeding quite constructively, when he lays out various alternatives he wishes to propose in a legislative sense for dealing with a situation of this character.

In summary, I deprecate and deplore the price increase. I think it is most unfortunate.

Second, I think the industry faces an acid test with the public. Indeed, I think this will have some reflection on the way in which the private economy and the private enterprise system operate generally. The price increase, which the company affirms it is seeking for constructive economic purposes—to wit, for modernization and for research—should be properly used. I think the industry undertakes a very material obligation to see that the increase is actually used for those purposes, which could translate themselves in lower real prices for steel. We will all be watching with the greatest of care and the greatest of interest how that eventuates. The steel company owes the public a full accounting on that score.

Third, and speaking now as a lawyer, I hope that we shall separate in our own minds any idea of "well, we are going to throw the book at them" in terms of all the involvements coming from the antitrust laws and other laws, from the possibility—which is a possibility—of the need in terms of legislation to effectively handle our economic processes in our country so as to keep abreast of a situation which might be caused in this way.

I think if we approach the problem in that way we shall be fair to the American people and to the American economy and, at the same time, we shall not be improvident in the remedies which we seek in a particularly serious situation.

TRIBUTE TO SENATOR DIRKSEN, OF ILLINOIS

Mr. AIKEN rose.

Mr. RUSSELL. I am glad to yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I wish to congratulate the distinguished minority leader [Mr. DIRKSEN] for the splendid vote of support he received in the primary in the State of Illinois yesterday. It was certainly well merited. I know all of us are very much pleased by the overwhelming majority he received.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which was published in the Chicago Sun-Times of April 7, 1962, entitled "Leader of the Loyal Opposition."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LEADER OF THE LOYAL OPPOSITION

Senator EVERETT MCKINLEY DIRKSEN, of Illinois, the Republican leader in the Senate, distinguished himself in the final hours of debate on the bill to provide loans to the United Nations.

He arose to the occasion as the leader of the loyal opposition should in a matter that ought to transcend party differences and political argument. He supported President Kennedy's desire to help bail out the U.N. with a $100 million loan or purchase of U.N. bonds. Some of his fellow Republicans, especially in the Middle West, regard the U.N. as not worth saving. Even among those that do there are some who are skeptical about allowing President Kennedy to use his own discretion whether to buy bonds or lend the money to the U.N., as the bill provides. DIRKSEN addressed himself to them.

"I haven't forfeited my faith in John Fitzgerald Kennedy," he said emotionally, "I'm willing always to trust my President."

The bill, a compromise worked out between Democrats and Republicans who agree in principle that the United States must advance money to the U.N., passed 70 to 22. It should do as well in the House.

The issue of the U.N. financing is not the only one that should be beyond political rivalry and should be approached on a bipartisan basis. The fundamental principles of Mr. Kennedy's tariff-adjusting proposals to accommodate American business to the European Common Market and other overseas economic developments should be considered a nonpartisan matter. So should the general area of foreign aid.

Mr. Kennedy is asking Congress to trust not him, personally, but the President of the United States in asking for more leeway and power with regard to tariffs. We hope Senator DIRKSEN will say in this matter, too, "I'm always willing to trust my President."

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, will the Senator from Georgia yield to me for the purpose of suggesting the absence of a quorum, with the understanding that he will not lose his right to the floor?

Mr. RUSSELL. I am glad to yield to the majority leader.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRUENING in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR APPROPRIATIONS FOR ARMED SERVICES, 1963

The Senate resumed the consideration of the bill (H.R. 9751) to authorize appropriations during fiscal year 1963 for aircraft, missiles, and naval vessels for Armed Services, and for other purposes.

Mr. RUSSELL. Mr. President, I desire to direct the attention of the Senate to the pending legislative proposal (H.R. 9751), which is a bill authorizing appropriations for the procurement of aircraft, missiles, and naval vessels for the armed services in the amount of $12,969,300,000. This authorization is reported in compliance with a requirement enacted in 1959 as section 412(b) of Public Law 86–149. In brief, this requirement is that appropriations for procurement of major weapons systems must be authorized anew after December 31, 1960.

It is notable that the Constitution does not speak in terms of authorization. Instead, its pertinent provision in clause 7 of section 9, article I, is that "no money shall be drawn from the Treasury but in consequence of appropriations made by law."

The requirement that there must be an authorization act before there can be appropriations stems from the rules of the House and the Senate. If an appropriation for which there is no authorization is proposed and becomes law because no successful point of order was made against it, the appropriations act has been held to be sufficient in itself.

Under the specialization or division of labor that the Congress has prescribed for itself the so-called legislative committees consider authorizations and the Committees on Appropriations consider appropriations within the limits of the authorization.

Because of some some extremely broad authorizations of appropriations for the procurement of aircraft, missiles, and vessels that were granted in the 1940's, the Committees on Armed Services came close to legislating away their major responsibilities in the shaping of defense legislation. While the Committees on Armed Services retained jurisdiction over manpower legislation, military pay measures, and military construction authorizations, only a very small part of what we have come to know as the defense program for a fiscal year came before these committees for legislative review. In the realization that a preponderant part of the defense program was based on major weapons, the committee proposed, and the Congress agreed, in 1959, that appropriations for procurement of major weapons should be subject to new authorizations. While I would not assert that the results under this procedure to date are earth shaking in their significance, I am convinced that this procedure affords a much broader base of information and understanding in the Congress. Moreover, it affords the appropriate legislative committees an opportunity to express their judgment in areas for which they have responsibility. This year the committee is proposing an expansion of this procedure that I shall discuss later in my remarks.

Not all the procurement proposed by the Armed Forces in 1963 is subject to annual authorization. The total procurement program of the Department of Defense for 1963 involves almost $18 billion. Available funding and expected reimbursements reduce the new obligational authority to about $16.5 billion. The difference between the new obligational authority and the amount of authorization contained in this bill represents the procurement not subject to annual authorization. For example, a substantial part of the appropriation accounts "Procurement of equipment and missiles, Army" and "Procurement, Marine Corps" is for items such as rifles, ammunition, tanks, combat vehicles, and communications equipment. Similarly, the entire amounts of the appropriation acounts "Other procurement, Navy" and "Other procurement, Air Force" are intended for items not requiring special authorization before appropriations are in order.

Under a literal construction of the pertinent provision of law, the authorization bill now before the Senate contains amounts for items that could not be defined as aircraft, missiles, or naval vessels. Because of definition problems incurred in attempting to separate directly related items from aircraft, missiles, naval vessels, and to maintain some correspondence between authorization and appropriations for such purposes, the authorization includes amounts for such items as replenishment spares, modifications to aircraft already procured, conversion of naval vessels, and ground support equipment.

To facilitate meaningful comparisons for the purpose of making program decisions, the 1963 budget was developed under a new procedure within the Department of Defense. This procedure involved relating weapons and forces to missions or functions instead of to military departments or Armed Forces. The presentation of the Secretary of Defense to the committee was made on such a basis. Before identifying the weapons in this bill with the armed service that they will be used by I shall first group them on a mission basis.

STRATEGIC RETALIATORY FORCES

The 1963 program contemplates continued procurement of the Atlas, Titan, and Minuteman missiles of the intercontinental ballistic type and Polaris missile-firing submarines. No new manned bombers are proposed for procurement, but a limited development program on the B–70 is being pursued. Additional quantities of Hound Dog missiles will be procured to enhance the effectiveness of the existing bomber force. Development of the Skybolt air-to-surface ballistic missile will be continued.

Although I have some personal reservations of the wisdom of releasing information in this much detail—and I have expressed reservations time and again to representatives of the Department of Defense—the Department of Defense has announced that the 1963 program, together with the procurement programs of earlier years, will provide for over 1,000 Atlas, Titan, and Minuteman intercontinental ballistic missiles, 41 Polaris submarines with more than 650 missiles, and more than 700 B–52 and B–58 bombers, equipped with Hounddog and some Skybolt missiles. The destructive power of such a force is enough to cause horripilation in any rational being. This force should be an effective deterrent, but if it does not deter, it could unquestionably destroy any nation which might level an attack against us.

Over the past several months there have been some estimates and some so-called mathematical computations of the casualties that would result from a nuclear war under various assumptions, including a positive attempt by the adversaries to limit targeting to military installations and facilities.

It is unnecessary for me to state that the decision is that of the Commander in Chief, and is not mine. I have no hesitancy in saying, however, that to me these extrapolations or projections or hypotheses are exceedingly unrealistic. They presuppose a war being waged with rational restraint by both sides. I doubt that there could be anything rational in the awful eventuality of a nuclear attack.

This kind of reasoning, if carried to its logical extension, would lead one to believe that an international conflict could be settled under controlled combat or even by a game of some type in which the opponents were in agreement on the rules and abided by them.

The day of the tournament has long since passed into history. I am convinced that we would be deluding ourselves if we were to base any national policy on the assumption that any potential adversary would be restrained and rational and would abide by any such rules. In my opinion, if nuclear war begins, it will be a war of extermination, and I want to be sure that we have an adequate number of strategic weapons to completely destroy any enemy that first attacks us.

CONTINENTAL AIR AND MISSILE DEFENSE FORCES

Relatively little of the authorization in this bill is for continental air and missile defense forces. The continued procurement of Nike-Hercules missiles as a defense against an air attack is the principal exception. The defense budget in its entirety, however, contemplates expenditures to, first, reduce the vulnerability of our bombers to ballistic missile attack; second, improve systems that warn of ballistic missile attack; third, attempt to perfect a defense against ballistic missile attack and submarine launched missiles; and, fourth, to provide reasonable fallout protection.

GENERAL-PURPOSE FORCES

We have heard of an increasing emphasis being placed upon our preparations to wage conventional wars. The pending bill provides more authorization for general-purpose forces than for any other category. In fact, if a one-sentence description could be applied to the 1963 program, I think it would be that previously announced strategic retaliatory force objectives are being continued, but a substantial addition is being made to our non-nuclear forces.

Requirements determinations in defense are difficult in general, but especially so for general-purpose forces. This is true because of the diversity of the forces involved, the many contingencies in which they might be needed, the multiplicity of weapons, the contributions of our allies, and the important role of the Reserve components.

The 1963 program involves 4 types of aircraft to improve the Army's mobility within the combat zone, 2 types of missiles to protect deployed Army and Marine Corps forces against air attack, new ballistic missiles to increase the Army's firepower, 37 new naval vessels, including a carrier; attack, fighter, and antisubmarine warfare aircraft for the Navy and Marine Corps, together with supporting missiles; antiaircraft missiles to protect vessels against air attack; and new aircraft with supporting missiles as tactical fighters for the Air Force.

AIRLIFT AND SEALIFT FORCES

The bill before the Senate contains authorization of appropriations for continued procurement of the C–130E aircraft and initial procurement of the C–141 jet transport aircraft. These types will increase our ability to deploy general-purpose forces overseas.

I might say that for a number of years the committee has been greatly concerned about the inadequacy of our airlift. We are delighted that the present administration and the present Secretary of Defense are proposing to increase our ability to deploy general purpose forces overseas. In addition, for the Military Sea Transport Service a roll-on-roll-off type vessel will be procured. This vessel substantially reduces loading and unloading time in the sea transportation of vehicles.

In my opinion, the additional emphasis that has been placed on our conventional warfare forces last year and this year will result in a measurable increase in our capability in this area. In a sense the strength of our Army is being increased by five divisions. This is true because three divisions that were used for training purposes are being made combat ready, and two additional divisions have been authorized, to, in effect, take the place of the Reserve divisions which were called up under the authority of Congress last year, when the Reserve divisions are demobilized.

Of equal importance, our ability to transport these forces overseas has been enhanced by the addition of transport aircraft. This increased capability should serve as a deterrent to conventional warfare as the strategic forces serve as a deterrent to nuclear war.

The committee report gives details of the part of this authorization that is earmarked for each military service and the types of aircraft, missiles, and vessels for which this authorization would support appropriations. I think it is unnecessary to enumerate each of these weapons at this time, but I shall summarize the procurement programs by department.

ARMY

The Army would be authorized $218.5 million for the procurement of aircraft and $558.3 million for the procurement of missiles. The total Army authorization in this bill of $776.8 million is but a part of the Army's entire procurement program for fiscal year 1963 of $2,674 million. The difference between the two figures is made up of those items in the Army modernization program that do not require special authorization.

The Secretary of Defense indicated to the committee that there has been a lack of balance among Army, Navy, Air Force, and Marine Corps elements of the general purpose forces. Each of the services has had a tendency to base its planning and force structures on unilateral views of how a future war might be fought. This imbalance extended to the inventory objectives for weapons and equipment. The Army and the Air Force, for instance, have had different assumptions on the length of a conflict. The procurement proposed in 1963 is part of a long-range plan to fill logistics objectives that have been established for the general purpose forces of all the military services on a common basis. The major items of procurement have been subject to a careful review and it is proposed to attain established objectives over a period of several years. The term "requirements" is a somewhat nebulous one at best and it becomes more so when each of the military services computes requirements on a different basis. Now that there has been established a common logistics objective for general purpose forces, I believe congressional consideration of steps to attain these requirements will be more meaningful.

The Army's aircraft procurement program involves purchase of the Iroquois, Chinook, and observation helicopters, and the Caribou type aircraft. These helicopters and aircraft will be used to transport troops and supplies rapidly to increase the Army's mobility within a combat zone.

The Army missile program contemplates continued procurement of the Nike-Hercules missiles for anti-air-defense of cities and military installations, Redeye and Hawk missiles to protect deployed Army forces against air attack, and Honest John, Little John, Pershing, and Sergeant missiles to add to the Army's firepower. The ENTAC missile will be procured as a defense against tanks.

NAVY

The Navy share of the authorization proposed in this bill is larger than that of the other military departments because of the inclusion of naval vessels in the authorization requirement.

The bill contains $2,979,200,000 in authorization of appropriations for naval vessels; $2,134,600,000 for the procurement of aircraft for the Navy and Marine Corps; $930,400,000 for the procurement of Navy missiles, and $22.3 million for the procurement of Marine Corps missiles.

The vessel authorization is intended to provide for the construction of 37 new ships and the conversion of 35 ships, in addition to the construction of 45 landing craft and the conversion of 1 floating drydock. It also includes money for long leadtime items for ships that will be in next year's program. The new construction includes a carrier, a guided missile frigate, eight attack submarines, six Polaris-type submarines, four amphibious transports, one amphibious assault ship, five escort ships, and three guided missile escort ships. A new submarine tender is proposed, along with a combat support vessel, two oceanographic research ships, one survey ship, and one cargo ship for the MSTS.

The Navy aircraft authorization is intended to finance the procurement of 887 new aircraft for the Navy and the Marine Corps. The aircraft to be procured include two types of fighters, three types of attack bombers, antisubmarine warfare aircraft and helicopters, early warning and interceptor control type, and a trainer.

The Navy missile procurement program includes Sparrow, Sidewinder, Bullpup, and Shrike for utilization by aircraft; Tartar, Terrier, and Talos for surface-to-air protection of Navy vessels; Polaris missiles for submarine installation; and an antisubmarine warfare missile Subroc.

The Marine Corps missile program includes two types that are also being procured by the Army. These are the Hawk and Redeye, both of which are used for the protection of field troops against aircraft.

AIR FORCE

The bill contains $3,626 million in authorization for aircraft procurement by the Air Force and $2,500 million for Air Force missile procurement. The aircraft authorization is $491 million more than the request of the Department of Defense. This item relates to the B–70, which I shall explain later in this statement.

Excluding the B–70 for the moment, the total Air Force aircraft procurement program for 1963 involves $4,030 million. The Department proposes to offset against this some of the anticipated reimbursements under the mutual security program, other available appropriations, and the authorization granted last year only for the procurement of long-range manned aircraft for the Strategic Air Command. That was for the wing of B–52's authorized by Congress but which the Department of Defense decided not to procure.

These setoffs reduce the amount of the new authorization requested to $3,135 million, to which the committee has added an amount for the B–70.

The aircraft types that will be procured by the Air Force include several different configurations of the KC–135 jet tanker, the F–105D fighter bomber,

and the F–110, which is called the F–4H by the Navy.

I may interpolate that for years I have been urging the three services, when they use the same plane, to give it the same name or the same number; but to date I have not been successful. It is very confusing to me, when a particular plane is used by three branches of the armed services, as one particular plane is, to have a different name or number assigned by each of the services, although the planes are practically identical.

Mr. CASE of South Dakota. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. CASE of South Dakota. I have experienced the same feeling of confusion as has the chairman of the committee, when we see the same type of plane bearing three different names, depending upon the field on which it is parked. I hope the chairman will persevere in his endeavor to have identical planes identically named.

Mr. RUSSELL. I had thought I had made an impression upon the present Secretary of Defense concerning this subject when he was before the committee; but up to now, despite the fact that he indicated he was in agreement, no action has been taken.

The plane we are discussing is designated by the Air Force as the F–110, and by the Navy as the F–4H. It is an excellent fighter bomber. It is confusing to hear the Air Force speak about the F–110 and then to hear the Navy say, "No, it is not the F–110; it is the F–4H," when they are identical planes.

Other aircraft types that will be procured by the Air Force include the C–130F and the C–141 transport types, the T–38 trainer, two light aircraft types, and two helicopter types for serving ICBM sites and remote areas.

The Air Force missile authorization is for continued procurement of Atlas, Titan, and Minuteman intercontinental ballistic missiles, the Bullpup tactical air-to-surface missile, the Skybolt air-launched ballistic missile, target drones, and the Sidewinder air-to-air rocket.

Mr. President, I shall now speak briefly of the B–70. The Senate will recall that last year the authorization request of the committee included an amount intended to be applied toward the development of the B–70 bomber. Since this item was in development, the committee did not change the amount requested because it was not required to be authorized. The amount was included in the authorization requested because of the manner in which the Air Force budgeted at that time. Since last year the Air Force has removed developmental items from the procurement authorization request and, under the limited B–70 development program that is being pursued, $171 million for this purpose is in the budget request under the caption of "Research, development, test, and evaluation."

The form of the bill as it was referred to the committee contained an addition of $491 million in authorization for the production planning and long leadtime procurement of an RS–70 weapon system. This addition was a manifestation of the view that a more ambitious developmental and production program on the RS–70 should be pursued. The $491 million figure represented a combination of the $171 million for deevlopment, which did not require authorization, plus $320 million more for production planning and long leadtime procurement.

Before the other body acted on the authorization, the Secretary of Defense announced that a new appraisal would be made of the RS–70. Language which had been contained in the bill directing the Secretary of the Air Force to use the additional authorization for the RS–70 was modified; but the additional aircraft authorization of $491 million was left in the bill.

The Senate committee has changed the authorizing language, so as to make sure that the availability of this $491 million authorization is restricted to the RS–70 program. A purist might insist that only $320 million in additional authorization should be provided, since $171 million of the $491 million does not require authorization.

At this time no one can predict what recommendations will emerge on the new RS–70 study. Because the latter stages of development and the early stages of production on advanced weapons systems are difficult to delineate sharply, the committee has left the $491 million figure unchanged, so as to provide the Committees on Appropriations and the Department of Defense with sufficient latitude to accommodate any accelerated development or production, or both, that may be found useful as a result of the new study.

In the past the Senate has supported appropriations for the B–70 above the level recommended by the executive branch of the Government. I have supported a more rapid development of this system for several reasons, including a deep-seated apprehension over the absence of any concrete plans for a manned bomber after the B–52 and the B–58. The RS–70 concept, however, is justified on somewhat different grounds from the old B–70 concept. The RS–70 involves not only the development of a new ballistic missile of the air-to-surface type, but, of more importance, the development of new radar display and communications systems. The Secretary of Defense and his scientific advisers believe that some of these subsystems may require such advanced technology that they cannot be attained within the time objective. In any event, the Secretary has asserted that the new look at this system will be made in depth and in good faith. If the study results in a decision to expedite the RS–70 program, this bill provides the basis on which the Committees on Appropriations might consider the necessary funding.

Mr. CASE of South Dakota. Mr. President, will the chairman of the committee yield?

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Does the Senator from Georgia yield to the Senator from South Dakota?

Mr. RUSSELL. I yield.

Mr. CASE of South Dakota. Merely for clarification and also for the legislative record, I should like to ask the chairman of the committee a question in regard to the change of the language in the House version. I refer to the language contained in the bill as reported by the Senate Appropriations Committee.

I notice that the bill as passed by the House of Representatives provided as follows, in dealing with this $491 million authorization: "$3,626,000,000, of which the Secretary of the Air Force is authorized to utilize authorization in an amount not less than $491,000,000 during fiscal year 1963 to proceed with production planning and long leadtime procurement for an RS–70 weapon system."

The corresponding language reported by the Senate Appropriations Committee is as follows: "$3,626,000,000, of which amount $491,000,000 is authorized only for the production planning and long leadtime procurement of an RS–70 weapon system."

Will the chairman of the committee agree with me that that means that under the language proposed by the Senate committee, the $491 million authorization may be used for the production planning and long leadtime procurement of an RS–70 weapon system, and for that only?

Mr. RUSSELL. Mr. President, that is the purpose of the change. Of course, all of us are familiar, through reading the press, with some of the history of the change in the language. As originally reported by the Armed Services Committee of the other body, in line 1, on page 2—the language the Senator from South Dakota has read—the word "authorized" read "directed"; and the last minute change, when the word "directed" was stricken out, and the word "authorized" was substituted, left the picture somewhat confused.

So the Senate committee handled this matter in exactly the same way it handled the wing of B–52's that it authorized last year above the request of the Department of Defense. Last year we provided a total figure, and the language "of which $525 million may be used only for the procurement of long-range manned aircraft." This year we provide that this $491 million authorization, $320 million of which is above the estimate of the Department, can be used only on the RS–70 program. Of course, the reason for that is very evident; if we did not tie it down in that way, Congress would lose authorization control of that vast sum of money, and the Department could propose to apply it for other purposes.

Mr. CASE of South Dakota. And is it the opinion of the chairman of the committee that the language proposed in the Senate committee version protects this $491 million authorization against any executive reprograming?

Mr. RUSSELL. Yes, it does; it cannot be utilized for any purpose other than that set forth in the language the Senator from South Dakota has read—which is for production planning and long leadtime procurement of an RS–70 weapon system.

Mr. CASE of South Dakota. From the remarks previously made by the chairman of the committee and from the report of the committee on the bill, I knew the intent was clear. But I have made these queries largely for the purpose of emphasizing that and to draw attention to the fact that it is the intent of the committee that the money be preserved for the purpose set forth. In that connection, I point out that the use of the term "RS–70 weapon system" establishes a modification from the so-called original B–70 weapon system or program.

Mr. RUSSELL. Well, all parties concerned—the Air Force and the Department of Defense—have abandoned the B–70 concept, in favor of the RS–70, which is a reconnaissance plane.

Mr. CASE of South Dakota. I think the change in the language is a good one. It preserves the purse string powers of Congress, and preserves the option to use a word the Secretary of Defense has used many times, and the option of the Defense Department in its planning to go ahead with the RS–70 weapon system, and it assures that the authorization will be available without its being taken for some other, lesser or unintended purpose.

Mr. RUSSELL. The Department of Defense respected the language used last year, when we included identical language with respect to the B–52; and this year they asked us to lift the restriction, so that they could use it for other aircraft programs. And this bill does that. But for the coming fiscal year, the Senator from South Dakota is eminently correct when he indicates that no part of this $491 million authorization can be transferred to any objective which does not look to the acceleration of the RS–70 program.

Mr. CASE of South Dakota. I thank the Senator from Georgia.

Mr. SALTONSTALL. Mr. President, will the distinguished chairman of the committee yield?

Mr. RUSSELL. I am glad to yield to the senior Senator from Massachusetts, the distinguished ranking minority member of the Armed Services Committee.

Mr. SALTONSTALL. I thank the Senator from Georgia.

I wish to say that I approve most heartily the bill as reported to the Senate from the Appropriations Committee.

Merely for clarification only I wish to propound a question.

In section 2, line 22, at the bottom of page 3, and from there on to the end of the bill, the committee has done what it tried to do a few years ago when such an authorization was first put into effect; namely, to require that funds be authorized "for the research, development, test, or evaluation of aircraft, missiles, or naval vessels"—which was not done before, and which is not included in the House version of the bill this year, except as it applies to the RS–70.

Mr. RUSSELL. I may say to the distinguished Senator that I intend to go now in some detail into the reasoning behind the change in the language in the bill. The Senator has stated in brief what has transpired. It is another undertaking on our part to carry out the authorizing authority of the Committees on Armed Services.

I now approach a discussion of the change in the language which was adverted to by the distinguished Senator.

AUTHORIZATION OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The bill that was referred to the committee contained a provision that would have required authorization of appropriations for research and development and procurement of the RS–70 weapon system. This was section 2 of the bill that came to the committee.

The committee recommends that this provision be amended to require authorization of appropriations for the research, development, test, and evaluation of aircraft, missiles, and naval vessels, instead of only the RS–70. The committee's recommendation would be prospective in effect and would apply only to the appropriations for fiscal year 1964.

As has just been pointed out by the distinguished Senator, the committee's recommendations on this subject are consistent with the original proposal approved by the Senate in 1959, for requiring special authorization of appropriations for aircraft, missiles, and naval vessels. At that time the committee recommended and the Senate agreed that development and procurement should be subject to special authorization. Unfortunately, the development feature was eliminated in conference.

Only a few days ago the characteristic pattern for procuring new weapons involved a relatively brief period of development and several years of production. As weapons have become more complex, this pattern has been reversed so that today development is relatively long and production is relatively short. Furthermore, as I have already indicated, it is difficult to distinguish between the latter stages of development and the early stages of production. Consequently, to consider procurement by itself, and not in its relationship to research and development, is to look at only a part of an almost inseparable subject. Because of the large sums involved in the development stage of a weapon, many of the crucial decisions occur at that stage. Reducing or eliminating procurement after full development would effect a relatively smaller expenditure. If a program is to be reduced or eliminated, the development period is the one that merits closer scrutiny.

This is not to suggest that the committee contemplates large scale reductions in authorization of research and development. Perhaps just the opposite course of action will result. But experience to date under the procedure for authorizing appropriations for procurement should allay any concern that arbitrary reductions are planned. It is undeniably true, though, that a more extensive congressional examination of any field of military activity causes a more thorough review and consideration in the executive branch. I strongly believe that an annual authorization of research and development on the major weapons will have constructive results.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the distinguished Senator from Missouri.

Mr. SYMINGTON. Last year the Armed Services Committee under his guidance, recommended this be incorporated in the bill of last year. Is that correct?

Mr. RUSSELL. 1959.

Mr. SYMINGTON. I meant 1959.

Mr. RUSSELL. Yes; and the Senate approved that unanimously, I may say.

Mr. SYMINGTON. But the other body decided it did not want that provision in the bill. Is that not correct?

Mr. RUSSELL. Yes. They objected very strenuously, and to get any authorization authority at all, the Senate conferees found it necessary to yield on that one phase of our authorization proposal.

Mr. SYMINGTON. Would not the Chairman agree that the logic of his position and that of the committee and the Senate has been verified by the fact that now the other body wants to establish authorization for research and development in this particular field in which they are interested?

Mr. RUSSELL. It certainly has been. It shows beyond any peradventure that in many instances research and development are much more important than the authorization of procurement, and, I may say, sometimes involve greater expenditure.

Mr. SYMINGTON. I ask the senior Senator from Georgia, who, in my opinion, knows more about this subject than any Member of the Senate——

Mr. RUSSELL. I am very grateful for that remark. I would that I might deserve that encomium.

Mr. SYMINGTON. I mean it.

Is it not true that today research and development and production are tied so closely together that it is difficult to really separate them?

Mr. RUSSELL. In some cases it is well nigh impossible to determine where development ends and production begins. Production is a part of development. We change details from plane to plane and from vessel to vessel of the same type. Not only that, we spend so much money on development that we are committed and our power to authorize procurement is meaningless. So much money has been invested that the committee really has no option other than to authorize the procurement.

Mr. SYMINGTON. Whereas in the past production might run to hundreds of a complete unit a month, today there is no such production, primarily because of technological aspects that have revolutionized the armament business. Is that correct?

Mr. RUSSELL. There has never been anything more revolutionary in my lifetime than the change in the weaponry systems of the past 10 to 15 years.

Mr. SYMINGTON. Would the Senator not agree, from his experience, on the committee of which he is chairman, that the chief reason for the overage in the construction of missile bases, a form of production, was that the bases were being designed while they were being produced, and that this in effect is now

characteristic of all research, development and production of airplanes or missiles, just as it would be in the case of bases?

Mr. RUSSELL. I agree completely.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a comment on what the Senator from Missouri has just said?

Mr. RUSSELL. I yield.

Mr. SALTONSTALL. The other day a general of the Army testified on research and development. He said they kept it in that stage, as I recall his testimony, until they were ready to go fully into production on a large scale. In other words, the big expense, as the chairman of the committee has pointed out, now is in research and development, and they do not move into a production basis until they are ready to go on full-scale production.

Mr. SYMINGTON. If the Senator will permit there is no full-scale production as we understood it in the past. Often, after we decide on a unit to be made, relatively few are made. In the case of the RS–70, it is my understanding the Air Force is now asking for some 45 production units.

Mr. SALTONSTALL. That is correct.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CASE of South Dakota. When we get in to the matter of construction of bases, however, the matter of change does contribute to the cost. What has bothered me somewhat is that I have had the feeling that contractors who bid on bases bid on them on the assumption that there would be change orders which would bail them out and give them profits, even if the original bid was a little close or thin so far as expected profits were concerned.

I mention this because it seems to me the Procurement Division and the construction agencies—whether it be the Corps of Engineers or other procurement agencies for the Department of Defense—should be on guard, and should write contracts as firmly as possible in the first instance. Change orders should be approved only when it is clearly in the interest of the Government. There should be protection against excessive change orders, because once a contractor has the base contract the change orders often afford him an opportunity to make exorbitant profits.

Mr. RUSSELL. Mr. President, I could not agree more with the distinguished Senator, but the base construction people are only now getting into a field which has been utilized by other contractors for the Government for a century or more. In regard to Navy procurement, on bidding on naval vessels, and in regard to the Maritime Administration, on bidding on passenger vessels, it has been bruited about that sometimes contractors bid really below the actual cost on the original design, with a certain knowledge that there will be so many change orders or modifications of the original plans that they will be able to make themselves whole and, in addition, to earn a nice profit. Of course, the organization with the original contract is about the only group with whom the Department can deal for the change orders or the modifications.

That is a practice which any person who has had connection with contracts with the Government has seen over the years.

I think that at the present time the present Secretary of Defense is paying very close attention to the problem. I am hopeful he will be able to reach the point where realistic bids will be submitted and reasonable charges for changes and modifications set up.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the Senator from Kentucky.

Mr. COOPER. Perhaps the most basic duty of any Member of the Senate today is to make certain that our country is secure. That means, of course, that we must exercise wisdom in voting on the defense proposals. Because of the complex nature of weapons systems today, we who are not members of the committee find it very difficult to know as much as we ought to know about the subject.

Mr. RUSSELL. I can assure the Senator that the difficulty is one which is common also for members of the committee. It is difficult for members of the committee to keep up with the many changes in our weapons systems.

Mr. COOPER. I wish to refer briefly to a question which has been covered in the newspapers very much lately. It has been raised in my mind and in the minds of other Members of the Senate. I remember that last year the Senator from Wisconsin spoke on the question at great length.

I am referring to the admonition of the Department of Defense, which I assume is a decision, that there should be no development at this time of other bombers.

Mr. RUSSELL. Of manned bombers.

Mr. COOPER. Manned bombers.

Mr. RUSSELL. Yes.

Mr. COOPER. I notice that it is stated in the report that no manned aircraft will be procured. As I understand the proposal, the authorization of $491 million is intended for research and development, test and evaluation of aircraft, missiles, and naval vessels.

Mr. RUSSELL. No, not the $491 million. The $491 million is limited to the development of RS–70 aircraft.

Mr. COOPER. Yes. I wish to ask the distinguished Senator, who is the chairman of the committee, for whom we all have great respect, a question which has been raised all over the country. People ask about it. People have asked me about it in my State.

Was it the judgment of the committee members that there is no need for further procurement of manned aircraft at this time?

Mr. RUSSELL. Mr. President, I do not know that I can express the views of every member of the committee. I know what my own view is, and I think I am safe in saying it is shared by a majority of the committee. It is that we would have felt much better about our defense situation if the Department of Defense had procured the new wing of B–52's which we authorized last year. I personally feel that was a mistake. These matters change so rapidly that it is all a question of judgment of individuals. My judgment could well be wholly erroneous.

It has always been my view that if I make any error in the development of a defense system I want it to be on the side of having too much rather than of being caught with too little. For that reason I thought it was a mistake not to proceed with the procurement of that wing of B–52's which we authorized last year over and above the request. I still feel that way.

Mr. COOPER. I find myself in the same position. I do not know as much as members of the committee know, yet I feel I am charged, along with other Senators, with doing what ought to be done to provide defense for our country, and not being on the short side. Therefore, I am asking these questions.

Mr. RUSSELL. Both the Committee on Armed Services of the Senate and the Subcommittee on Appropriations for the Armed Services of the Senate last year agreed on the opinion, I think the decision was unanimous, that we should proceed to procure another wing of long-range manned bombers, and that it would be a mistake to close the assembly line, as it will be closed, in October.

Only time can show who is correct. I hope those who have such confidence in the missiles are correct and that I am mistaken. I would have preferred to have had the new manned bombers procured. I think the B–52 bomber, equipped with the two Hound Dog missiles or four Sky Bolt missiles, which enable it to stand off from 300 to 1,000 miles from the target with comparative immunity, would be the greatest deterrent to war we could have. The Department, however, decided otherwise.

The Department did go along with us with respect to our increases for the Polaris submarines. For several years we have authorized and have appropriated for more Polaris submarines than the Department requested, but the Department has acquired them and is asking for additional Polaris submarines now.

It is a matter of opinion as to when it is wise to cut off production of manned bombers and to bring about a situation that will force us to rely upon missiles in a comparatively few years.

My own view was that we should not take the risk; but it has been done. There is nothing I can do about it. My committee authorized the procurement. I supported the appropriation for it. I went to the conference with it. It was in the bill which was signed. However, the money was not expended.

Mr. COOPER. Does the Senator believe that the development of missiles has reached such a stage that there is reasonable safety in believing the missiles will be properly developed, so that we can be safe without provision for more manned bombers?

Mr. RUSSELL. There have been some phenomenal developments in the accuracy and precision of some of the missiles particularly the Polaris solid propellant missiles.

For my part, I was not willing to place the security of this Nation and the freedom of our people altogether on missiles, since I have seen so many failures in the efforts to fire the missiles. We do not have many failures in getting bombers off the ground, yet we have seen a great many failures in firing missiles.

Of course, in good time we shall perfect the missiles, I am quite sure. I did not wish to have any interregnum whatever between the possession of a strong, overwhelming force of manned bombers capable of delivering the atomic and hydrogen warheads and the perfection of the missile system.

Mr. COOPER. I assume, then, the reason for not including funds in the bill for further procurement of manned bombers is based upon the fact that there is a belief the funds would not be utilized?

Mr. RUSSELL. It is based upon the fact that we were told definitely and clearly the funds would not be utilized.

In any case, I say to the Senator, the Department has stopped the procurement of parts. It would be necessary to reopen plants and assembly lines which have been closed.

Mr. COOPER. I assume that the Senator from Georgia, the chairman of the committee, a man whom we all respect, who has great knowledge of the subject, holds the same opinion today that he held 2 years ago?

Mr. RUSSELL. Last year.

Mr. COOPER. Yes, last year—that manned bombers should be procured to provide, as the Senator sees it, for the best security of our country.

Mr. RUSSELL. Yes, indeed. That is my conclusion. But, as I stated, my errors have been on the side of seeking too much. I hope that the errors other members of the committee make will not be on the side of seeking too little. It is a matter of opinion or judgment.

Mr. COOPER. I know it is a matter of opinion. I have referred to the great difficulty which those of us have who are not members of the committee and who therefore cannot have the information possessed by members of the committee. Each of us is charged with doing what he thinks is best, and right, to secure our country. And yet we do not have the necessary information. We cannot obtain it except as we talk to members of the committee. On such occasions as the present one, when a bill is being considered, we are placed in a difficult position. The lack of information about which I have spoken makes it hard for each of us to express his views and, demonstrate, by his action, his determination to assure the complete safety of the country, as far as it is possible to do so.

Mr. RUSSELL. I again reassure the Senator to the extent that a majority of the Joint Chiefs of Staff are of the opinion that the proposed authorization is completely adequate to assure the security of our country and to prevent any act of aggression against it.

There was the dissenting voice of the Air Force, which was in favor of procuring some new manned aircraft. But the majority of the Joint Chiefs of Staff as well as the Secretary of Defense, for whose judgment I have great respect, were of the opinion that the authorization provided in the bill, together with the weapons that we have on hand, is sufficient to deter any attack against us.

Last year, and in 2 years before that I believed that the Department of Defense was not requesting sufficient funds for manned bombers. Therefore in the Appropriations Committee I fought with great zeal and, I believe I can say with some modesty, with some degree of success, for appropriations over and above the amount requested by the Department of Defense in 3 years to reinforce our efforts in that field. A few years ago we added much more than the Department of Defense requested. The then Secretary of Defense spent a great deal of that money and changed his views on the procurement program after the appropriations bill had been passed.

As I have said, Secretary of Defense McNamara is a man of unusual ability and inexhaustible energy. He has promised a complete review of the RS–70 program, and that he would act accordingly if the review indicated any justification for an acceleration.

Mr. COOPER. I concur in the opinion of the distinguished Senator from Georgia with regard to Secretary of Defense McNamara. I am glad to hear him say that there is no provision in the bill, or in the report, which would prohibit or inhibit the Secretary of Defense from proceeding at least to reexamine the program.

Mr. RUSSELL. Not only have we refused to prohibit or inhibit him, but also we provided $320 million which he said he did not want. In effect we said, "Here is the money. You can spend it for the purpose stated." Not only is there no prohibition, but also we are urging the Secretary of Defense to review the program, and if he decides favorably, the authorization will be at hand to implement the program without his having to request it. The authority will have been pressed upon him against his wishes.

I now advert to a subject that is not directly involved, but about which the committee asked a great many questions.

NUCLEAR TESTING

In the course of the hearings on this authorization bill many questions were propounded to the military witnesses and the civilian leaders of departments regarding their views on the wisdom of resuming nuclear testing in the atmosphere. Without exception these witnesses indicated that from a military standpoint resumption of such nuclear testing would be in the national interest.

All of us are aware of the negotiations now underway in Geneva. Speaking only for myself, I hope that a delay in initiating these tests will not be tolerated indefinitely. As a result of their preparations while the test moratorium was in effect, the Soviets have achieved an advantage through the tests conducted last fall.

As earnestly as I crave peace and as willing as I am to go the last mile to achieve it, I hope we shall not be deluded by talking while the Soviet Union profits from the results of the approximately 50 tests which it conducted last year in violation of the moratorium.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. RUSSELL. I am happy to yield to the Senator from Missouri.

Mr. SYMINGTON. I associate myself, without any reservation, with the remarks of the distinguished Senator from Georgia on this vital subject of nuclear testing. Almost daily we read advertisements in newspapers signed by people who have had success under the capitalistic system.

The advertisements have consistently directed requests or threats at the President, in opposition to nuclear testing. Today I noticed a group of people, some bearing prominent names, picketing the White House. The people of the United States simply do not understand the full import of what the Russians apparently were trying to achieve in their approximately 40 air tests last fall, with respect to which we have now reached conclusions as a result of months of study of the atmosphere at that time. Therefore, I urge the able chairman of the Committee on Armed Services—the full committee would be most preferable, because it would be under his supervision—or in the Subcommittee on Military Preparedness, under the chairmanship of the able Senator from Mississippi [Mr. STENNIS], give consideration to conducting hearings in order to answer once and for all the question, "What are the advantages incident to testing in the atmosphere and/or testing under the ground?"

I make that statement because persons of the highest degree of knowledge in the field have stated we may already be risking the future of our country in offers we have made to the Soviet Union in that field. This has nothing to do with the word "bomb." It has primarily to do with fusion in the low categories of explosion—say a kiloton or a half a kiloton. I would hope we could have hearings in the Committee on Armed Services. It is clear that such considerations as yield-to-weight ratio in weaponry are now vital as we plan our defenses against a possible enemy.

I notice in the Chamber my friend, the able senior Senator from Minnesota [Mr. HUMPHREY], chairman of the Senate Subcommittee on Arms Control and Disarmament of the Foreign Relations Committee. I hope that he will consider as a sound and constructive proposal, the proposal to hold such hearings.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the Senator from Minnesota.

Mr. HUMPHREY. As a Senator and a citizen, I have fully concurred in the decision of the President as to the necessity of resuming atmospheric tests. I think we all wish that they were not necessary, but I do not think we can afford to close our eyes to the scientific realities and to the power struggle that is on in the world today.

Undue delay would serve no purpose. We have walked the extra mile. I be-

lieve all of us know that we have walked that extra mile in terms of negotiations, and we have done all this in good faith. We have done it even within the last 48 hours. The President of the United States and the Prime Minister of Great Britain have again offered to the Soviet Union an opportunity for negotiations. The Soviets have rejected this offer.

Therefore, I concur with what the Senator from Georgia has said on the matter of arriving at a decision and proceeding on the basis of that decision.

I believe that it would be desirable in all of these matters relating to our national security where arms are involved—and they are a very important factor in national security—if the Armed Services Committee could undertake its own inquiry into that subject. I recognize, of course, that when we speak of nuclear testing, we are in the field of foreign policy, or national policy, a matter which is of great importance. However, there is also the matter of weaponry. To date most of the hearings have been held by the Joint Committee on Atomic Energy, because atomic energy is involved in this matter. However, it is involved also in the jurisdiction of the Armed Services Committee in terms of the total balance of the military structure.

We want these matters considered in the Foreign Relations Committee, because of the diplomatic considerations that are involved.

I regret that the subcommittee which once considered this matter, and had on it members of the Armed Services Committee and members of the Joint Committee on Atomic Energy and also members of the Foreign Relations Committee, has been discontinued. It was a special subcommittee that looked into the subject of disarmament, which involves more than foreign policy, and is also a military matter and an economic matter. Surely it is also a scientific matter. I am sorry that that subcommittee could not continue to function. We lost our congressional authorization for it. As a result, the Armed Services Committee does not have a voice in the discussions of the subject of disarmament policy, nor has the Joint Committee on Atomic Energy, except as it goes into this matter separately.

The Foreign Relations Committee, because of the manner in which it operates, cannot always give fullest consideration to the military aspects of this subject.

Therefore I wish to say to the Senator from Missouri that his suggestion is welcomed by me. First of all, the Senator from Missouri is a member of both the Armed Services Committee and the Foreign Relations Committee. That is a very happy circumstance.

Mr. RUSSELL. And he represented very ably the Armed Services Committee on that subcommittee. I share the Senator's regret that the subcommittee was discontinued. It was of great benefit to the American people. I have discussed the matter of its continuation with just about everyone who I thought had any influence on the subject.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. SYMINGTON. I congratulate the able assistant majority leader, the Senator from Minnesota [Mr. HUMPHREY], for his fine statement and admire him for his position in this matter. It is true that when he was chairman of the Joint Arms Control Disarmament Committee, on which I had the honor of representing the Armed Services Committee, we had what might be called both sides consistently presented to us, and the record of the 1958 hearings are pertinent to that end.

Without interrupting any further the typically able presentation of the budget by the chairman of the committee, I express my appreciation to the Senator from Minnesota, and I hope the Senator from Georgia will give consideration to this suggestion. The decisions, which of course will be much molded by public opinion, should be based on publication of all truth that will not help a possible enemy.

Mr. RUSSELL. I have discussed this matter with the distinguished Senator from Missouri and with the distinguished Senator from Mississippi [Mr. STENNIS], who is chairman of the Preparedness Subcommittee. We have a great deal of work to do in our committee. I doubt very much that the full committee would be able to conduct these hearings. However, I am sure that some hearings will be held in that area. Of course we have not been entirely without knowledge of the atomic bomb, from the standpoint of its power and methods of delivery, and matters of that kind. However, there are a great many scientific aspects, a discussion of which would be of profit to the committee. I hope the subcommittee will go into the matter before Congress recesses.

Mr. SYMINGTON. I brought this matter up because of the excellent statement of the Senator from Georgia under the subhead of nuclear testing.

Mr. RUSSELL. I too wish to express my delight that the distinguished Senator from Minnesota has added his voice to this subject because many of us feel that patience has ceased to be a virtue in undertaking to deal with the Soviet Union, and that we must proceed in the interest of national security with a resumption of nuclear testing.

The Senator from Minnesota spoke about going the last mile. It seems to me we have gone far beyond the last mile, and have been overly generous in the proposals we have made to the Russians. Anyone who wanted peace would have accepted those proposals. I mean the proposals that were made long ago, not the ones that were made only recently, which are somewhat frightening to me. I know that all of us would like to avoid the resumption of nuclear testing, even though we would use the cleanest bombs that it is possible to make. We have learned a great deal about cleaning up our bombs and reducing the amount of radioactive fallout.

Our scientists have eliminated much of the fallout that resulted from the earlier testing of the bomb. The bombs are much less harmful in radioactivity now. However, even though some harm may result from the fallout, that harm is infinitesimal when compared to the consequences of a world dominated by the Communist tyranny that would result from a substantial lead in nuclear weapons by the Soviets.

What has kept us at peace over the past 15 years has been our predominance in the field of nuclear weapons. If we lose it, all is lost.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I am very much interested in the Senator's observations. Many people in the world try to equate our position on the resumption of nuclear testing with a decision relating strictly to our security as a nation. We have commitments to the whole world. As the Senator has said, the one thing that has preserved this tenuous peace of our time is our great strength, and our superiority and advanced technology in the field of nuclear power.

Sometimes we get ourselves involved in bad publicity and bad relations when it appears that our concern on this subject is based entirely on our own anxiety for our own Nation's security. That would be enough to motivate me to a proper decision. However, we must recognize that we have commitments to keep—commitments to NATO, CENTO, and SEATO, as well as to the Organization of American States. In fact, we also must keep in mind the security of the nonalined and neutral countries. The only way they can remain unalined and neutral is through the strength of the United States and its allies, which keeps them out of the jaws of the overly hungry and rapacious big bear that comes out of the Siberian steppes and woods.

I would suggest, when we talk about nuclear testing, that we talk about it not merely as being a great national decision but also an international responsibility and an international decision.

Mr. RUSSELL. I completely share the views expressed by the distinguished Senator from Minnesota. I have been utterly amazed by the attitude of some of the so-called neutralist countries on this subject. There can be no question at all that if our Nation loses its predominance in this field, the light of liberty will be snuffed out not only in the United States, but wherever it burns anywhere on this globe today. If we let the Soviets get complete predominance in nuclear weapons, the original dreams of Lenin and Trotsky for world domination will surely come about, and they will come about with great speed.

Mr. SYMINGTON. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. SYMINGTON. I agree with both the distinguished Senator from Minnesota and the distinguished Senator from Georgia. Probably the greatest critic of statements incident to the actions of the United States in this field is Mr. Krishna Menon, of India. Shortly, the Senate will have an opportunity to decide whether it wishes to give hundreds of millions of dollars of aid to a country

at least in part controlled by a man who, when the Soviets treacherously renewed their nuclear testing in the air last fall, stated that underground testing was much more damaging to the future of the human race than atmospheric testing. He defended without reservation the position of the Soviet Communists on this subject.

I hope the facts, figures, and thoughts presented to the Senate today by the assistant majority leader and the distinguished chairman of the Committee on Armed Services will be given full consideration when the Senate is called upon to decide, in the not too distant future, whether we should grant some half a billion dollars of aid and loans to a country which opposes us in that manner and has opposed us so consistently on so many matters over the years.

Although Mr. Nehru is constantly portraying himself as a man of peace, and at times has stated that if necessary, India will remain the last large unarmed country in the world, the fact is that India has one of the large armies of the world, and also an air force more than three times larger than any other air force in that part of the globe.

Mr. RUSSELL. India has just dedicated one of the world's largest tank factories, which I understand is intended to produce a thousand Centurion tanks.

Mr. SYMINGTON. I did not know that, and thank the Senator from Georgia for telling the Senate about it. We are reaching some kind of height in paradox when, at the same time we give substantial economic aid to India, India is buying heavy military units from Soviet Russia. Note that this goes on at the same time Mr. Nehru is saying he will not accept any military aid from us because he is a man of peace. So we continue to finance his great army indirectly, most of which faces, in belligerent fashion, one of the greatest friends this Nation has, Pakistan.

Mr. RUSSELL. I shall not discuss that subject in detail now; but the neutralists who consider our foreign aid program so important, as it is, and those who are associated with us in one of the various pacts into which this country has entered, would do well to consider that, after all, the military might of the United States is the principal prop of freedom in the world today.

Therefore, as regretfully as we approach the facts, our knowledge of Soviet progress demands that we regain and overtake the lead which the Soviet has achieved in this field by reason of their violation of the moratorium.

It has been amazing to me that those who have criticized the United States for even presuming to test in the atmosphere do not mention the fact that the United States has not conducted any tests for about 40 months, with the understanding that Soviet Russia was not to conduct any either, but that without any notice whatever the Soviets violated the moratorium on nuclear testing.

CONCLUSION

I would not conclude this statement without a word of praise for the presentation made to the committee by the Secretary of Defense and his principal military and civilian assistants in the Department. The committee was furnished not a collection of conclusions but an impressive array of information, including alternatives to the courses of action recommended. One does not have to agree with every detail of the program presented to recognize that the Secretary is doing a tremendous job. He has abundant intellect and, perhaps more important, he works hard. He stays on the job until he concludes the work that is before him.

Often when a public official is the recipient of a great deal of favorable comment he becomes a target. I certainly have no desire to put Mr. McNamara in that position, but I must state that I think the Nation is fortunate to have a person of his ability occupying the important position of Secretary of Defense.

As is nearly always true, the authorization in this bill probably is not all that everyone connected with the defense effort would like. The procurement authorization that is proposed to the Senate for 1963, however, is substantial, it is balanced, and it is based on understandable objectives. I urge that the bill be approved.

VISIT TO THE SENATE BY MEMBERS OF THE CONGRESS OF CHILE

Mr. HICKENLOOPER. Mr. President, will the distinguished Senator from Georgia yield, provided he does not lose the floor?

Mr. RUSSELL. I yield.

Mr. HICKENLOOPER. I ask the indulgence of the Senate, while the Senator from Georgia retains the floor, because I know other Senators wish to ask him questions. However, I should like to have the privilege of presenting to the Senate a delegation from the Congress of Chile.

Mr. RUSSELL. I yield to the Senator from Iowa for that purpose.

Mr. HICKENLOOPER. Mr. President, the Senate is honored today by the presence in the Chamber of a delegation of distinguished members of the Parliament of our sister Republic of Chile. They represent the various political parties of Chile and are here to observe, to get acquainted with, and to learn more about the United States of America. They are accompanied by the Ambassador from Chile to the United States.

First I wish to present the Ambassador from Chile, the Honorable Walter Müller. [Applause, Senators rising.]

Next I present the Honorable Gustavo Loyola, First Vice President of the Chamber of Deputies, Deputy from the Province of Cautin. [Applause, Senators rising.]

The Honorable Jose M. Huerta, Second Vice President of the Chamber of Deputies, Deputy from the Province of Malleco. [Applause, Senators rising.]

The Honorable Hernan Brucher, Deputy from the Province of Antofagasta. [Applause, Senators rising.]

The Honorable Luis Pareto, Deputy from the First District of Santiago. [Applause, Senators rising.]

The Honorable Tomas Reyes, Deputy from the Third District of Santiago. [Applause, Senators rising.]

Mr. President, the members of the Committee on Foreign Relations have enjoyed a very informative, discursive, and pleasant luncheon with these estimable gentlemen. We welcome them and are delighted to have them in the Chamber.

I thank the Senator from Georgia for his indulgence and kindness in yielding.

AUTHORIZATION FOR APPROPRIATIONS FOR ARMED SERVICES, 1963

The Senate resumed the consideration of the bill (H.R. 9751) to authorize appropriations during fiscal year 1963 for aircraft, missiles, and naval vessels for armed services, and for other purposes.

Mr. LONG of Louisiana. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. LONG of Louisiana. First, I congratulate the distinguished chairman of the Committee on Armed Services for the fine work which the committee, under his leadership, has done, and which the committee, under his leadership, always does.

I wish to ask the Senator about a matter which does not appear in the bill, although I have badgered both the senior Senator from Georgia and some of the members of his committee about this item for the last year or two. The bill contains nothing which relates to the subject of Government rights with respect to the development of new inventions, patent rights, and proprietary rights. I have felt for some time that one of the worst things in Government is the enormous expenditure of Government funds for research and development, sums running to about $12 billion a year, under terms and conditions which permit contractors to have private patent rights on this vast amount of Government research.

It has sometimes seemed to me that we are spending a thousand times as much to create monopolies as we spend to break monopolies.

Can the Senator from Georgia suggest to me an appropriate bill to which I might offer an amendment which would seek to bring an end to the obtaining of private patents achieved at Government expense?

Mr. RUSSELL. Mr. President, I have listened with great interest to the discussions by the junior Senator from Louisiana in this field. I have not given the subject the attention and study which he has given to it, but I have looked into it to a certain degree, and I must say that I have found it to be one of the most complicated, complex subjects I have ever examined.

The same rule does not apply to all contracts or to all patents. It is a subject as to which I have not, up to now, felt qualified to initiate legislation. However, I have discussed it with some officials in the Department of Defense. I shall be glad to urge them to intensify any study which they may be making in order that we may have the benefit of their experience in the drafting of proposed legislation.

Mr. LONG of Louisiana. Mr. President, if the Senator from Georgia will yield further——

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Georgia yield to the Senator from Louisiana?

Mr. RUSSELL. I yield.

Mr. LONG of Louisiana. I doubt that we are going to gain any cooperation from the Department of Defense. Those who are there seem to believe that a considerable portion of their pleasure in remaining there is related to the function of granting contracts which maintain this situation—on which they have consistently sought to maintain.

Mr. RUSSELL. I think the Senator from Louisiana is somewhat in error in that connection. There is a new interest in the matter—one which I have not heretofore observed in the Department of Defense. I think there was a time when those who served there apparently were not interested in the matter; but I think there is now some interest in it there.

Mr. LONG of Louisiana. The General Accounting Office arrived at an inescapable conclusion in that connection that there is a strong incentive for one contractor to withhold from other contractors the information he obtains in the course of fulfilling his Government contract—on the theory that if he permitted the information he thus obtained to be had by other contractors, that might result in denying him an opportunity to have a virtual monopoly to such patent or other information. When that happens, the effect is to bar to many thousands of scientists and engineers an opportunity to advance to the next frontier of knowledge, although we may already have found an answer to a technical problem which constitutes a roadblock in that field. In fact, some have stated that a person must virtually reinvent the wheel. It is frequently cheaper to ascertain—at Government expense—what already is known. Of course, that process involves great additional expense for research. Various governmental agencies have made that statement, and I have not heard the Department of Defense deny it.

Mr. RUSSELL. Has the Senator from Louisiana had the Secretary of Defense appear before his committee?

Mr. LONG of Louisiana. No, although I would have been glad to have him appear there. But my Monopoly Subcommittee of the Small Business Committee deals with only a small subdivision of this subject.

Mr. RUSSELL. I am surprised that the Secretary of Defense has not appeared before the Senator's committee, because it seems to me that he has testified before almost every committee on Capitol Hill. In the newspapers we read that he appears before a very great many of the congressional committees.

Mr. LONG of Louisiana. He has been invited to appear before our committee, but he has not appeared there. I must say that I have found it extremely difficult to get Cabinet officers to appear before my Monopoly Subcommittee insofar as this subject matter is concerned.

But members of our committees before which the Secretary of Defense and similar officials have appeared have expressed the view that it is very difficult for the work to proceed under these conditions, particularly when the development is done at Government expense.

I can understand the situation when the work is done at private expense; but it seems to me that this is one of the most important matters which can be dealt with by us. So I wonder whether the Senator from Georgia would feel compelled to oppose an amendment to bring this problem to the attention of the Department of Defense. I have prepared such an amendment, which provides:

> No funds authorized to be appropriated hereafter shall be expended pursuant to the authority of this act under contracts signed after the effective date of this act for research or development, unless those contracts contain provisions to assure that all patents and proprietary rights to information developed under the terms of those contracts under circumstances where the Government will have paid hereafter, under those contracts, for all or nearly all of the cost of developing such inventions, shall be the property of the United States.

I drafted this amendment in order to recognize the fact that after a contractor under a previous contract has done much research, there would likely be a problem if we were to provide that we are going to try to protect the interest of the Government to research done largely under such a prior contract. But when such work is done entirely under future contracts, it seems to me that the right to the inventions should belong to the Government. Furthermore, when the Government pays, under contracts signed hereafter, for all or nearly all the research, it seems to me that this amendment would protect the Government's interest.

I hope very much the Senator from Georgia will not object to Senate consideration of this proposal, because the President has this matter under consideration at the present time.

Mr. RUSSELL. Is not that a very good reason why I should not accept the amendment—not until the President comes to some conclusion in regard to it?

Mr. LONG of Louisiana. But the President is, I am sure, in considering this matter, somewhat impressed by the fact that the Daddario committee, in the House, is advocating exactly the opposite of what the Senate has voted when it has repeatedly been confronted with the same problem. The Senate has accepted, without objection, amendments to assure that such research work would be subject to the Government's rights, and that the Government would have the proprietary rights if the Government had paid for the work; and heretofore I have offered amendments to assure that result. On the other hand, on the House side, under the leadership of Representative DADDARIO, there is a determined fight to try to persuade the taking of just the opposite position. This matter has been resolved in both ways in the House, whereas in the Senate the answer has consistently been the same.

So I hope very much the Senator from Georgia will take this amendment to conference, and there will test the position of the House, or that at least he will not object to having debate and a vote on this matter in the Senate.

Mr. RUSSELL. Mr. President, I believe that in times past I have supported the Senator from Louisiana in connection with amendments of similar intent.

Our committee has worked very hard and most diligently on the bill, and we entertain high hopes that the bill as passed by the Senate will be accepted by the House, without requiring a conference. So I hesitate to accept the amendment of the Senator from Louisiana.

However, I shall be glad to present the amendment to the Secretary of Defense and to obtain his views in regard to it. In that way we can get the response of the Secretary of Defense; and then I can give it to the Senator from Louisiana.

But I hope the Senator from Louisiana will not offer his amendment to this bill, because we have boiled it down to the point where I have high hopes that it will not be necessary to have a conference with the House.

Mr. LONG of Louisiana. Mr. President, if the Senator from Georgia obtains that information from the Secretary of Defense, I wonder whether the Senator will also be so kind as to make such inquiries of other governmental departments and agencies, such as the Department of Agriculture, the Federal Aviation Authority, and various other agencies which do not agree with the attitude of the Department of Defense in its position about this matter.

Mr. RUSSELL. If the Senator from Louisiana will introduce such a bill, I shall be glad to appoint a subcommittee to consider the bill, and to obtain information from anyone who, in the opinion of the subcommittee, might be able to cast any light on the matter. But I doubt whether the full Armed Services Committee would have time to go through with such hearings and, in the course of the hearings, obtain testimony from all persons who are concerned with this matter at this time. However, I shall be glad to have the Senator from Louisiana introduce such a bill, and then to appoint a subcommittee to hold hearings on it.

But I hope the Senator from Louisiana will not submit the amendment to the bill now pending, because the bill is of vital importance, and it must be enacted before the appropriations for the Department of Defense can be considered. Hearings on those appropriations are already underway; and if this bill becomes tied up, that situation might delay the making of those appropriations, which apply to the period beyond the end of the present fiscal year.

Mr. LONG of Louisiana. Mr. President, I am sure the chairman of the committee knows of my great personal regard for him as perhaps the most responsible and completely able Member of this body.

Mr. RUSSELL. Mr. President, I am greatly flattered by what the Senator from Louisiana has said.

Mr. LONG of Louisiana. I do not care to increase the Senator's burdens. He has always been most considerate of me in connection with all matters.

Yet it does seem to me that this matter should be permitted to reach a vote in the Senate.

Mr. RUSSELL. It seems to me we have had a vote on it in the Senate. Have we not voted on it here once or twice?

Mr. LONG of Louisiana. The Senate has, more or less by voice vote or unanimous consent, accepted such an amendment, to apply to other departments of the Government. But the Department of Defense is the agency which spends most of the money, and that is where the big problem arises.

I do not want to present the amendment under such circumstances that the Senator from Georgia will feel compelled to oppose the amendment, if there is some possibility of receiving support for the amendment or offering it on some other occasion.

Mr. RUSSELL. I frankly think that this matter is sufficiently important to have committee hearings on it. That is my own view of it. Perhaps the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary might be the place to consider it.

Mr. LONG of Louisiana. Hearings have been held by the Subcommittee on Patents of the Judiciary Committee. No action has been taken. I doubt that there will be. Hearings have been held on the subject by the Subcommittee on Monopoly of the Small Business Committee. The Senator knows we have no legislative authority in that committee.

The only way the junior Senator from Louisiana sees to bring this matter to a vote in the Senate is by offering an amendment on the floor. Unless the chairman of the committee is willing to have it brought before the committee and voted on in committee, I shall feel compelled to offer the amendment on the floor, either to the pending bill or some other proposed legislation. If the Senator will assure me that it will be considered——

Mr. RUSSELL. I will assure the Senator from Louisiana that I will get the views of the present Secretary of Defense on the issue raised by the amendment. Frankly, it seems to me that legislation in that area would not be in the jurisdiction of the Armed Services Committee, even though the subject relates to the Department of Defense. But if the measure is referred to my committee, we will give it consideration. In thinking of it and going over the matter of jurisdiction in my mind, I think legislation dealing with the subject would go to the Committee on the Judiciary. I will take the Senator's amendment and submit it to the Secretary of Defense and get a statement from him that I will submit to the Senator. I will be glad to do that.

The Senator from Louisiana knows this is a far-reaching amendment to put in the bill at this stage, without any hearings, or without an opinion of the Department of Defense.

Mr. LONG of Louisiana. The opinion of the Department of Defense is a matter of record before a number of subcommittees, including the Judiciary Committee, on one of the subcommittees of which I had the honor of acting as chairman. The Department is against the amendment; there is no doubt about that. Their spokesman, Mr. Bannerman, has testified against it. Other departments are in favor of the principle contained in the amendment.

So far as legislative jurisdiction is concerned, there are at least half a dozen places in Federal law where the law specifically excludes and forbids private patents at public expense. Invariably, such law has come out of the committee which had jurisdiction of the subject matter. For example, there is such a provision in the law pertaining to saline water, which came out of the Committee on Interior and Insular Affairs, which reported a bill containing that language. The Agriculture Department has had a similar prohibition. There is a provision in the law to that effect which was contained in the basic agricultural laws. The National Aeronautics and Space law has such limitations. That provision was contained in the basic act which established the National Aeronautics and Space Administration. The coal research bill contains such a provision. That bill was reported by the Committee on Interior and Insular Affairs. The Senate passed the so-called disarmament bill, which contained similar stipulations, and the bill was reported by the Committee on Foreign Relations of the Senate.

The Senator will find in half a dozen places that the law forbids private patents at public research expense, but invariably the legislation has not come out of the Judiciary Committee. It has come out of the committee handling legislation for the particular department of Government involved.

One reason for that, I suppose, is that it is sometimes difficult to get a controversial bill out of the Judiciary Committee. Things have a tendency to stay in that committee until the controversy is less at issue. Apparently committees handling legislation over a particular agency administering the matter appear more willing to let the subject come to a vote.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. KEFAUVER. In the first place, I wish to say that I think the amendment of the Senator from Louisiana is a good amendment, and should be adopted. I see no reason why, in research and development in defense matters, the public should not have the same protection it has in space matters and others the Senator has mentioned, where some protection is afforded to the public in the field of patents.

I do not know whether bills of this kind have gone to the Judiciary Committee or not. If so, they have not gone to the Antitrust and Monopoly Subcommittee, of which I am chairman. They have gone to the Patents Subcommittee if they have gone to the Judiciary Committee.

I know the Senator from Louisiana is right. I am certain that in other fields such a restriction has been made as an amendment to the basic act by the committee which had original jurisdiction.

Mr. RUSSELL. That may well be, but I assume the question was raised in the committee. It was not raised in the Armed Services Committee, and the amendment was not submitted to the committee in time for us to have a hearing on it. While I have great respect for the views of the Senator from Tennessee, it seems to me our committee was entitled to have some hearings on the subject, and not to have this amendment brought up in shotgun manner on the floor of the Senate. I suppose the Committee on Aeronautical and Space Sciences and the Committee on Agriculture and Forestry discussed the matter in those committees, but we had no opportunity to discuss it. This is the first time it has been brought up.

Mr. KEFAUVER. I think the Senator is correct in that regard.

Mr. LONG of Louisiana. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. LONG of Louisiana. I respect the right of others to disagree with me——

Mr. RUSSELL. I am not necessarily disagreeing with the Senator from Louisiana.

Mr. LONG of Louisiana. I know that.

Mr. RUSSELL. But no man's opinion is any better than his information. My information on this subject is rather limited. I have not had the opportunity of the Senator from Louisiana and the Senator from Tennessee to have hearings on it. I heard the Senator from Louisiana discuss it in connection with a bill which I have forgotten, and to which he offered the amendment. That is the limit of my information on the subject.

Mr. LONG of Louisiana. Not only on the floor, but in the cloakroom and elsewhere, the Senator from Louisiana has been waging something of a campaign to bring about an end to what he regards as a great abuse involving the issuance of private patents as a result of public expense on research and development.

Mr. RUSSELL. I might say that I approve of the Senator's objective. From what I do know about it, it seems entirely reasonable and logical to me; however, many things seem to be entirely reasonable and logical at first blush, but when we get into them further we find there are some arguments on the other side.

In addition, I do not wish to have to take the amendment to conference.

Mr. LONG of Louisiana. I understand the Senator's position, but I should like to have the Senator make it clear that he understands my position, if he does.

My feeling about the matter is that if the Senator from Georgia felt as strongly about it as does the junior Senator from Louisiana, he would be seeking every method available to him to bring an end to what he believed to be a wrong practice.

Under those circumstances, if the Senator felt as strongly as I do about the matter, he would be seeking to get action of the Judiciary Committee, if he could; if he could not get action from the Judiciary Committee, he would probably seek action of the Armed Services Committee; if he could not get action out of the Armed Services Committee, then he might approach the Foreign Relations Committee; if not from that committee, from the Committee on Commerce; if not from that committee, from the Committee on Interior and Insular Affairs.

Mr. RUSSELL. This is an authorization bill. I heard the Senator's amendment read only once, but if it is not in the form of a limitation, it could be made a limitation. The Senator could offer it to the appropriation bill which would fulfill the authorization. However, if it is attached to this bill, it could delay the bill and could cause real problems.

The Senator can offer the amendment to the appropriation bill. I would suggest that the Senator go before the Appropriations Subcommittee and tell the subcommittee members his reasons, rather than catching them unaware on the floor of the Senate. The subcommittee is conducting hearings at the present time, under the distinguished Senator from Virginia [Mr. ROBERTSON].

Mr. LONG of Louisiana. Mr. President, I appreciate the Senator's assurance with respect to the Subcommittee on Armed Services of the Committee on Appropriations, the chairman of which is not in the Chamber at the present time. If the Senator will permit me to rely on the assurance he has given on the floor with respect to the Committee on Armed Services, I shall withhold offering the amendment.

Mr. RUSSELL. I am willing to send the amendment to the Secretary of Defense and get a full statement of the views of the Department of Defense. I think we could proceed more intelligently if we had that much.

Mr. BUSH and Mr. PROXMIRE addressed the Chair.

Mr. RUSSELL. I yield first to the Senator from Connecticut.

Mr. BUSH. I thank the Senator from Georgia. I shall be very brief.

The Senator made some very complimentary remarks in regard to Mr. McNamara, the Secretary of Defense. I would not wish to see the RECORD closed this afternoon without a word from this side of the aisle in support of what the Senator said about the Secretary. He is a member of that oppressed minority group known as the Republican Party.

Mr. RUSSELL. The Senator astounds me. I thought he was a New Frontiersman of long standing.

Mr. BUSH. Certainly that is not the case—only of very short standing, anyway, if he were one. He is a member of our oppressed minority group, and he is out on the firing line with a very difficult job.

As the Senator from Georgia has said, Secretary McNamara conducts himself in a very statesmanlike fashion. He probably has the most responsible job that any Secretary of the Army, Navy, or Air Force ever had, because today the problems are much more difficult and much more intricate, with so much more scientific knowledge involved.

Like my distinguished chairman, I am amazed by this man's ability to comprehend the detailed problems which come before him in connection with the new weapons systems, and the manifold other problems with which he must deal. I agree with the Senator from Georgia that his appearances before our committee this year have been truly remarkable. He has shown a grasp of detail which I have never before seen in a committee hearing by an official of this Government. It gives me a feeling of great confidence and security in connection with our whole defense picture to know that there is a man of such tremendous capacity, ability, and devotion to his duty.

I join with the Senator in his complimentary remarks. I fully agree with his high opinion of Secretary McNamara.

Mr. RUSSELL. I thank the Senator. I assure him the fact that he has informed me the Secretary is a member of the Republican Party does not reduce the Secretary's stature by one jot or tittle. He is still an able man.

Mr. BUSH. I thought it would not.

Mr. RUSSELL. I now yield to the Senator from Wisconsin.

Mr. PROXMIRE. Before I ask the chairman a few questions, I should like to say that I find much to approve in his excellent statement. I particularly agree with the point made on page 24, when he said:

> I strongly believe that an annual authorization of research and development on the major weapons will have constructive results.

The process we are now going through on the floor of the Senate can be extremely useful.

Also I agree wholeheartedly that what has kept the peace has indeed been our predominance in the nuclear field. There is no question about that. It is essential that we continue this predominance in the future.

One of the reasons why I think the authorization bill is so important is that it involves such a fantastic expense. The amount involved is so great as to make one shudder. It is almost thirteen thousand million dollars.

Mr. RUSSELL. It is nearly thirteen thousand million. The Senator is correct.

Mr. PROXMIRE. On page 3 of the bill, lines 12 through 15, it is stated:

> *Provided*, That effective July 1, 1962, restrictions on the fund authorization contained in Public Law 87–53, approved June 21, 1961, for the procurement of aircraft, will no longer apply.

I have before me Public Law 87–53, which provides in part for aircraft for the Air Force, $3,841 million, of which amount $525 million is authorized only for the procurement of long-range manned aircraft for the Strategic Air Command.

I presume this section of the bill refers to that section of the act.

Mr. RUSSELL. It does.

Mr. PROXMIRE. It eliminates that restriction?

Mr. RUSSELL. It does. It makes those funds available for the procurement of other aircraft.

Mr. PROXMIRE. That is my second point.

Mr. RUSSELL. The $525 million was added to the bill in an amount over and above what the Department requested last year. There was a difference of opinion as to whether the United States should continue to procure manned long-range bombers.

Mr. PROXMIRE. I understand.

Mr. RUSSELL. Congress said that the $525 million was available only for that purpose. In order to keep the books of the Department in better balance, and to eliminate that restriction, since it was manifest the Department was not going to spend money for the B–52's, we eliminated the language to permit the funds to be expended for any other aircraft.

Mr. PROXMIRE. That is the point I wished to cover. I checked with the Parliamentarian, who referred me to the legislative counsel of the committee. There appears to be no authoritative certainty as to whether the funds would be restricted to aircraft alone, or whether there would be a carte blanche opportunity for the Defense Department to spend $525 million for missiles, and naval vessels as well as aircraft. What makes it particularly confusing is that, perhaps by misadventure, the House language, page 2, line 11, which is erased in the bill, has the same provision under "Naval vessels."

I have the impression that the money could be used by Defense for almost anything.

Mr. RUSSELL. That is one reason we rewrote the bill. The language was in the wrong place, under "Naval vessels." We put it where it belongs, under "Aircraft."

That amount was deducted from the total amount for procurement of aircraft, when the Department submitted the budget relying on obtaining the $525 million carryover.

Mr. PROXMIRE. I see.

Mr. RUSSELL. It is all to be used for the funding of aircraft, though.

Mr. PROXMIRE. We have established that, then.

The only reference in the committee report to this section of the bill is on page 4, where there is a paragraph which deals with "Eliminating Restrictions on Previous Authorization." The language simply eliminates it. It does not go on to specify any restriction.

The chairman has, I think, now made legislative history indicating that use of the funds would be restricted to aircraft.

Mr. RUSSELL. During the course of my statement I said:

> Excluding the B–70 for the moment, the total initial Air Force aircraft procurement program for 1963 involves $4,030 million. The Department proposes to offset against this some of the anticipated reimbursements under the mutual security program, other available appropriations, and the authorization granted last year only for the procurement of long-range manned aircraft for the Strategic Air Command.

I undertook to explain that. All the funds which were authorized last year and which were appropriated last year for the procurement of the wing of B–52's, the $525 million, will now be devoted for the procurement of other types of aircraft which have been approved by the Secretary of Defense.

Mr. PROXMIRE. In terms of authorizations available, if we go back to page 2 of the committee report, at which point there is a specification that it is a $12,969,000,000 bill, in effect what we can do is to add the additional $525 million and say that it becomes roughly a $13½ billion bill; and since the amount was not used last year, we would subtract it from what was used last year, and the authorization this year would therefore be several hundred million dollars higher than the authorization made available in 1962. Is that statement correct?

Mr. RUSSELL. That is correct. At least one could add with safety $525 million to the almost $13 billion provided in the bill. In addition approximately $150 million or $200 million will come in from the mutual security program. The program is really nearer $14 billion than the almost $13 billion that would be authorized by the bill.

Mr. PROXMIRE. I have tried to establish the argument, because I wish to go into the next point, in which I think we might find ourselves involved again next year. On page 3, line 10, of the bill there is a provision to do this year with the RS–70 plane what we did last year with the B–52 and B–58 bombers.

Mr. RUSSELL. The Senator is correct.

Mr. PROXMIRE. As the Senator from Georgia has pointed out, it is almost exactly the same thing.

Mr. RUSSELL. Yes.

Mr. PROXMIRE. An amount of $491 million would be authorized only for the production, planning, and long leadtime procurement of the RS–70 weapon system. The Senator from Georgia earlier indicated that if we did not specify the amount as available only for this purpose—if we did not have such a restriction—Congress would lose control of that money and the Department would be able to spend it in any way it might see fit.

Mr. RUSSELL. The Senator is correct. I am perfectly frank to tell the Senator that I do not believe the Department of Defense will spend the money on the RS–70 aircraft, and that next year I look for the Department to be back asking for authority to use the unexpended balance. They intend to spend some of the money. They have $171 million in the budget, and they may spend slightly more than that amount. But, in my opinion, they will be back asking for authority to spend the unexpended balance of that amount for other purposes.

Mr. PROXMIRE. So in 1963 we would go through the same procedure as we have followed relative to 1962.

Mr. RUSSELL. Such action will keep the funds under the control of Congress. If we kept the authorization wide open, the Secretary could spend the money for anything he might wish.

Mr. PROXMIRE. I should like to clarify a point in the committee report which seems to conflict with information I have received from the Department of Defense. On page 2, in the second paragraph, under the chart, the second sentence reads as follows:

> The executive branch had requested new obligational authority of $171 million to proceed with a limited development program on the B–70, but this amount was not subject to the authorization requirement, since it would have been applied to development, instead of procurement.

Assistant Secretary of Defense Hitch has said that the statement is not a fact, and that the Defense Department did not request additional new obligational authority of $171 million, or any other amount; that they already had it, and, in effect, the $491 million is in addition to the $180 million which they had, and it should be treated as such and understood as such by Congress. Is that statement correct?

Mr. RUSSELL. I am not sure as to that point. I agree with the Senator that the statement in the committee report in respect to new obligational authority is imprecise usage. In its presentation to the Appropriations Committee, the Department stated that it intended to spend the $180 million this year, inasmuch as it had not expended it in the current fiscal year.

Mr. PROXMIRE. So the Department now has available $180 million——

Mr. RUSSELL. Plus $491 million.

Mr. PROXMIRE. Plus $491 million for that purpose.

Mr. RUSSELL. The Senator is correct. I have no idea how much it will spend.

Mr. PROXMIRE. I should say it will have that amount available if the bill is passed.

Mr. RUSSELL. The Senator is correct—if the bill is passed in its present form.

Mr. PROXMIRE. I believe the Senator has made a series of very proper and helpful statements on the great importance of the development process and the subject of Congress very carefully approving or disapproving the development process, because we become so committed on the development process, and so many hundreds of millions or billions of dollars are involved, that it is often believed we might as well go ahead. Is that statement correct?

Mr. RUSSELL. I agree completely with the Senator. Sometimes expenditures in the development of new weapons are almost fantastic. The amount runs into billions of dollars.

Mr. PROXMIRE. For the Senator's information, it is for that reason that, although I do not intend at this time to offer any amendments to reduce the provisions of the bill, I will probably do so when the appropriation measure comes before the Senate. But I think it would be redundant if we considered such an amendment at this time. However, for the RECORD, since I hope that we can get the best information possible in the RECORD now, I should like to ask the distinguished Senator for his comments on the remarks of the Secretary of Defense on the RS–70, because I believe they were devastating against the program, and it seems to me very devastating against the procedure of making what now appears to be approximately $670 million available for its development.

Let me read several statements. He said:

> A careful study of the earlier B–70 proposal led to the conclusion that it was really no more than a manned missile. Indeed, a book about it was published under just such a title. The old B–70 system offered none of the advantages of flexibility generally attributed to manned bombers. It could not look for new targets nor find and attack mobile targets or targets of uncertain location. It offered no option but preplanned attack against previously known targets—a mission that can be effectively performed by missiles.

I should like to ask the comment of the distinguished Senator on that quotation, in view of the fact that the statement was the basis of the objection of the Secretary of Defense against the proposal.

Mr. RUSSELL. As I understand, the Senator was reading from the testimony of the Secretary of Defense before the committee.

Mr. PROXMIRE. The Senator is correct.

Mr. RUSSELL. I believe the testimony was in opposition to the mandatory provision, which would require the expenditure of more than $171 million on the B–70. The provision in the bill, of course, is a compromise, as most great issues that appeal to the emotions are compromises. Some members of the committee wanted to require such expenditures. Other members thought the Secretary had completely demolished any justification whatsoever for the B–70 and were wondering why he was agreeing to spend a large sum of money on the research and development of a plane that he had condemned with such scathing words. In effect, the provision would leave the decision up to the Department of Defense, though the Department cannot divert the funds to some other purpose.

Mr. PROXMIRE. I think the statement of the Senator will be very useful. I think it will be useful history for the Department to understand, because when Congress authorizes the expenditure of $491 million only for the production, planning, and long leadtime procurement for the RS–70 weapon system, it seems to me there is a clear intention that Congress wants to go ahead. I understand there is no direction to the Secretary to expend the amount. But if the Senator says that it is solely up to the Secretary of Defense, and if the Senator says that he can make the decision freely on the basis of his own judgment with respect to the moneys available, I consider this a reasonable position to take.

Mr. RUSSELL. I point out to the Senator that the identical language was used last year with respect to the $525 million for a wing of B–52 bombers. The Secretary did not buy the bombers. He did not spend one dime of the money. He is asking this year to have the money, but we are transferring it for other purposes. There is nothing in the provision

that would make it mandatory for the Secretary to spend one dime more.

Mr. PROXMIRE. I should like to go one step further. It seems to me that the Senator has said that we are affording an opportunity not only to the Secretary, but also to the Committee on Appropriations, when it takes up the measure, to consider the subject further, for they may decide on the basis of information available to them at that time not to go ahead.

Mr. RUSSELL. There is nothing at all in the pending bill which could possibly require the Appropriations Committee to appropriate any of these funds. They will have to review the subject completely and decide what they will appropriate.

Mr. PROXMIRE. Let us suppose that the Secretary should decide to go ahead, but let us suppose that the Appropriations Committee previously decided not to make this money available. Is it not true that the Secretary of Defense would still be in a position, on the basis of these comments, to go ahead just as rapidly as he possibly could even if the Senate did not act until 1963 or if it acted before we adjourn in July? The Secretary took the position that this development is 2 or 3 years off, and in some cases even farther away than that. However, he is proceeding as rapidly as he possibly could if his money were unlimited.

Mr. RUSSELL. I would agree with the Senator, with one exception. I do not believe the Secretary would have any procurement authority if this review convinced him that he should reverse his position completely and push this program. I do not believe he would have any authority to launch a long leadtime procurement program if this were eliminated, and if the Appropriations Committee did not appropriate the funds.

Mr. PROXMIRE. The Secretary pointed out that he would be at least 2 years away from the procurement program.

Mr. RUSSELL. That is what he says. If he decided to change his position completely, I do not believe he could contract for any long leadtime procurement. This gives him the authority to do what he finally concludes is the wise thing to do with respect to this particular weapons system.

Mr. PROXMIRE. The Secretary of Defense testified:

> But we are 2 or more years away from even a flight test of the reconnaissance subsystems in a form from which operational specifications can be drawn, let alone blueprints for the production of hardware.

Mr. RUSSELL. Yes; that is what the Secretary of Defense said, but that is under the present concept. Ways have been found to expedite these programs, although they have been extremely expensive. I do not believe he has any intention of doing it at this time, but it has been done in other cases, although it has been expensive.

Mr. PROXMIRE. I do not wish to delay the Senator too long. I have some questions on another phase. With the Senator's concurrence I should like to ask unanimous consent to put into the RECORD excerpts from the testimony of the Secretary of Defense, because I believe they should be made available in the RECORD at this stage of the debate so that they will be available to Senators who are interested in this subject.

Mr. RUSSELL. I shall be glad to have them appear following my remarks. I would be glad to have them all go into the RECORD.

Mr. PROXMIRE. We have discussed several statements of the Secretary of Defense, and I have extracted most of the pertinent points from his testimony. If I could have these excerpts printed in the RECORD at this time I would not have to ask a series of questions on this subject.

Mr. RUSSELL. I am glad to have the Senator follow that course.

Mr. PROXMIRE. I ask unanimous consent that at this point in the RECORD certain remarks of the Secretary of Defense, which I have reproduced on the papers I have in my hand, be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

UTILITY OF WEAPON AS BOMBER

1. A careful study of the earlier B–70 proposal led to the conclusion that it was really no more than a manned missile. Indeed, a book about it was published under just such a title. The old B–70 system offered none of the advantages of flexibility generally attributed to manned bombers. It could not look for new targets nor find and attack mobile targets or targets of uncertain location. It offered no option but preplanned attack against previously known targets—a mission that can be effectively performed by missiles.

2. Moreover, the B–70 had important disadvantages when compared with ballistic missiles. It would have been vulnerable on the ground to surprise missile attack. It would not have been hardened and dispersed like Minuteman, or continuously mobile and concealed like Polaris. Rather, it would have had to depend on warning and ground-alert response—a method of production far less reliable, in an era where large numbers of missiles exist, than hardening and dispersal or continuous peacetime mobility.

3. Further, the B–70 is far less suitable than the B–52 for airborne-alert measures.

4. Moreover, the B–70 was poorly designed from the point of view of penetration of enemy defenses. The B–70 would present a very large radar cross section, and the higher it flew the earlier it could be picked up by radar.

5. Furthermore, the B–70 had not been designed for the use of air-to-surface missiles such as Hound Dog or Skybolt, and therefore could not attack while standing off several hundred miles, but would actually have had to fly into the target area to drop its bombs. Finally, the B–70 would have been an extremely expensive aircraft, particularly so in relation to its capability in the straight bomber version.

AS A RECONNAISSANCE SYSTEM STRIKE FORCE

1. The RS–70 would introduce, in addition, another new set of subsystems, including reconnaissance sensors, processing systems, display systems, communication systems, all requiring human interpretation and decision within very short times, and air-to-surface missiles. Many of these new subsystems, it should be recognized, have yet to be developed. Indeed, our technical review of this proposal, to date, indicates that some of the key elements may well lie beyond what can be done on the basis of present scientific knowledge.

2. At the present time we do not know how to specify a system which can gather, process, and display the data at the rates and with the resolution necessary for the RS–70 mission, which involves firing a missile from an aircraft flying at 30 miles a minute before it moves out of missile range. To achieve the capability which would be required to "recognize" or to analyze damage on some important types of targets is beyond any known technique.

We cannot state today with any assurance that satisfactory equipment to perform this processing and display function in an RS–70 can be made operational by 1970, let alone by 1967, on the basis of any known technology, or whether the human interpretation job required of the operator can ever be done.

3. The Air Force proposal would also require the development of new air-launched strike missiles. For use against hard targets, these missiles, because of their limited size and warhead yields, would have to be far more accurate than any strategic air-launched missile now in production or development.

4. Thus, it is clear that there are many very difficult technical problems yet to be solved—and, indeed, yet to be fully understood—before we can have any reasonable expectation that the reconnaissance capability required by the RS–70 can actually be developed and produced within the 1967–70 time period.

We have started work on these problems and over $50 million has been separately provided for this purpose in the 1963 budget, but we are 2 or more years away from even a flight test of the reconnaissance subsystems in a form from which the operational specifications can be drawn, let alone blueprints for the production of hardware.

5. The RS–70, as proposed by the Air Force, is also to have the capability of transmitting to home base processed radar data on important target areas. This capability, if obtainable, would be useful in retargeting followup strikes by other manned bombers or by ICBM's. However, the assured rate of transmission over intercontinental ranges in a wartime environment would be only a minute fraction of the rate at which the data are being acquired and processed by the RS–70 radar.

6. The RS–70, as proposed by the Air Force, is very far from being ready for production or even full weapon-system development. The new subsystems which could provide the RS–70 with its damage assessment capability have been started in development, but we are not sure now that we know how to develop successfully the extremely high data rate, sharp resolution radar system required. Our best estimates now are that we could not have such a system early enough to produce an operational RS–70 force capable of useful reconnaissance strike before 1970.

7. The RS–70, without these subsystems, would be nothing more than a B–70, the production of which it is now agreed would not be warranted.

8. Until we know much more about the proposed system—its technical feasibility, its military effectiveness, and its cost—we have no rational basis for committing this aircraft to weapon-system development or production.

Mr. PROXMIRE. I would like to question the chairman now on another subject in which I am very much interested, and that is aircraft carrier production. I note that there is an authorization for a new aircraft carrier.

Mr. RUSSELL. Yes.

Mr. PROXMIRE. Three hundred and ten million dollars is the amount.

Mr. RUSSELL. Yes. It is $310 million for a new aircraft carrier. That is a conventional carrier, not a nuclear carrier.

Mr. PROXMIRE. It is not a nuclear-powered aircraft carrier. It is a conventional carrier.

Mr. RUSSELL. That is correct.

Mr. PROXMIRE. The hearing at page 454 indicates a great deal of confusion and a difference from the facts as I understood them. Instead of the 14 attack carriers that we had in 1960, we now have 16 in the attack fleet. I am reading from near the bottom of the page, in the last four or five paragraphs. I read the appropriate statement, as follows:

> In fiscal 1962, this current year, as a result of the Berlin crisis, we went up to 16 attack carriers.

Then it goes on to state that the Navy recalled several squadrons from the Naval Reserve, and so forth.

Mr. RUSSELL. That means that they activated two carriers which previously had been in mothballs.

Mr. PROXMIRE. I read further:

> As a result, our current forces require 7,672 aircraft, but now in fiscal 1963 we intend to reduce our force levels. We intend to return our recalled Reserves to inactive duty. Accordingly our requirements for operating aircraft total 7,329 operating aircraft.

Previously the testimony had shown:

> In fiscal 1961 we went up to 15 attack carriers, plus other forces, and we needed 7,300 aircraft.

I presume on the basis of the specified aircraft needs that they do not need 16 but only 15 attack aircraft carriers, and therefore they will retire one of the carriers. If the new carrier is added, they will retire two carriers.

Mr. RUSSELL. Of course, it will be 3 years before that ship is completed.

Mr. PROXMIRE. At any rate, they are in process of reducing the number of attack carriers.

Mr. RUSSELL. I had the opinion that this information was classified. However, the Senator has read it from the printed hearings, and that testimony was cleared by the Department of Defense. It was originally presented to us in classified form.

Mr. PROXMIRE. Well, the first point is that the carrier fleet is being reduced.

Mr. RUSSELL. I believe that means that one of the *Essex*-type carriers that was taken out of the mothball fleet will be put back in the mothball fleet.

Mr. PROXMIRE. The second point is that these carriers are primarily useful, not for all-out war, but for limited war. Is that correct?

Mr. RUSSELL. That is one of the most highly controversial questions that has arisen in the defense program. That is certainly the view of the Secretary of Defense. He says that they are useful only in limited war. However, there are some officers in the Navy, officers of great ability, who believe these carriers can protect themselves and that they would be useful in all-out war.

Mr. PROXMIRE. For at least many purposes in a limited war, the *Essex*-type carrier is just as useful as a *Forrestal*-type carrier. There may be advantages to a *Forrestal* carrier, but in terms of limited war, such as the situation which presented itself in 1959 in Lebanon when we used aircraft carriers—and this would be true of other countries and areas at other times—where we could use the *Essex*-type carrier, just as effectively as the new carriers. The *Essex* could be just as useful and just as impressive as the *Forrestal*-type carrier would have been.

Mr. RUSSELL. It would be in a conflict of that size. However, if the trouble were larger, and there was necessity for the use of larger forces, I would think that the *Forrestal* type would be highly advantageous. However, in the type of case presented by the Senator from Wisconsin, the *Essex*-type carrier would be adequate.

Mr. PROXMIRE. In a much larger kind of operation we are certain to be escalated into nuclear war, in which case the judgment of the Secretary of Defense is that the aircraft carrier's usefulness would be questionable.

Mr. RUSSELL. The Secretary of Defense is of the opinion that the carrier's principal value is in limited war, to provide air cover to ground forces that are carrying out a mission necessary to our own national security or to live up to some commitments that we have made in the many treaties we have entered into all over the world.

I must repeat that there are officers in the Navy who believe that the carrier has a very vital role in all-out nuclear war. They see it as a movable airfield. They feel that the enemy knows where every base we have in the world is located, and can drop a nuclear warhead on it. However, the carrier as a mobile base can move around, and these officers believe that it has great value in a strategic war.

However, that is a question on which I have had difficulty making up my own mind, much less deciding it as a matter of law. I have gone on the theory, in order to be prepared for any eventuality we could afford to take the risk, as expensive as these ships are, of continuing to build some of these carriers. Some of our carriers at the present time are almost 20 years old, and they have seen some hard usage.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BUSH. I should like to refer very briefly to the position which Admiral Burke took when he was Chief of Naval Operations. He felt that the aircraft carrier force, with its medium-range bombers equipped with atomic weapons—and the 6th Fleet is carrying such aircraft and such weapons in the Mediterranean—would be a particularly effective force if we were involved in an all-out war. I have had occasions to visit the 6th Fleet in the Mediterranean.

I think he testified to that effect before our committee several years ago. Does the Senator from Georgia recall that?

Mr. RUSSELL. Oh, yes. All carriers have planes capable of carrying nuclear bombs a considerable distance.

Mr. PROXMIRE. I understand that. Is it not also true that a carrier is about the size of three football fields end to end while a missile is about the size of a typewriter? It may soon be possible to knock missiles down when they are moving at 17,500 miles an hour. On the other hand, a carrier is more than a thousand feet long and travels 30 knots or 33 miles per hour. It seems to me a carrier would make a very inviting, remarkably easy target, as compared with almost anything else.

Mr. RUSSELL. The prevailing opinion of the Joint Chiefs of Staff and the Secretary of Defense seems to be that a carrier is primarily useful for limited war. But I must say there are those who occupy positions of responsibility in the Department of Defense who wholly disagree with the viewpoint that a carrier has only limited value.

Mr. PROXMIRE. I notice that at page 477 of the hearings it is said that the sustained speed of this carrier is figured as shockingly slow—30 knots. It is said that it might get up to 34 knots under pressure for short periods of time. But 30 knots seems like a slow speed as compared with the speed of the very newest nuclear-powered carrier, the *Enterprise,* which I have heard is 40 knots.

Mr. RUSSELL. I feel certain the Senator is in error about that. The speed of the nuclear carrier for a sustained period is somewhat greater than the speed of conventional carriers, but it is nothing like 40 knots.

Mr. PROXMIRE. At any rate, this is a 30-knot carrier.

Mr. RUSSELL. The Senator has referred to the gigantic size of the vessels. They are of such tremendous size that they cannot go through the Panama Canal. It takes enormous power, enough to furnish the electricity for some of the largest cities in the country, to propel such a ship at 30 knots. It is a tremendous ship to be propelled at 30 knots. But it is mobile. At 30 knots, it can, within a few minutes, be out of the range of an intercontinental missile or a ballistic missile. However, in my opinion, such ships are targets for submarines.

Mr. PROXMIRE. There is another difficulty with the carrier. I notice from the hearings that Admiral Moore does not discuss the carrier directly, but he discusses the frigate, and points out that one of the difficulties with this particular frigate—the DLG—is its refueling problem. He calls it a salient disadvantage. As the Senator from Georgia pointed out so well in the hearings, the conventionally powered aircraft carrier of the kind for which we are asked to authorize $310 million this afternoon uses five times the amount of fuel which is needed by the DLG frigate. But if refueling is a salient disadvantage for the frigate, certainly it is a salient disadvantage for the aircraft carrier.

Mr. RUSSELL. I agree with the Senator from Wisconsin; I do not agree with Admiral Moore, as the hearings will show. In other words, I have not believed that when we get away from the submarine class with the tremendous extra cost of nuclear-powered ships is justified as compared with conventionally powered ships. It is simply that the submarine is able to make much greater

speed underwater, and can remain underwater indefinitely.

Mr. PROXMIRE. I understand. A nuclear-powered aircraft carrier does not have to be refueled so often. As a matter of strategy, it has a great advantage over the conventionally fueled aircraft carrier, which we are now being asked to authorize and which is confronted with an extremely difficult refueling problem. Is not that correct?

Mr. RUSSELL. That is true; but they carry enormous quantities of fuel. I have forgotten the exact amount of fuel they can carry; but it is an enormous amount. I believe carriers can be refueled while they are at sea; in fact, I am certain they can be. They do not have to stop. A tanker can run alongside the carrier and refuel it.

Mr. PROXMIRE. I so understand. That can also be done with a frigate.

Mr. RUSSELL. Yes, indeed.

Mr. PROXMIRE. I am also very much disturbed about the cost; $310 million is a fantastic amount of money, particularly in view of the fact that, as I understand, this amount does not include the cost of weaponry or airplanes, which is in addition.

Mr. RUSSELL. A carrier that is fully equipped, down to the last detail—weapons, aircraft, and protective forces—costs more than $1 billion.

Mr. PROXMIRE. More than $1 billion?

Mr. RUSSELL. That is correct.

Mr. PROXMIRE. To compare that cost with the cost of a few other programs, the appropriation for area redevelopment, for all of last year for the whole country was $44 million; Urban Renewal, $211 million; housing for the elderly, $100 million; National Institutes of Health, the total spending for research into cancer, heart disease, mental health, and so forth, $420 million.

This is not to mention some of the subsidiary military weapons, such as the M–14 rifles, which cost $68.75 to $114 apiece. We could procure from three to five million of them for the $300 million cost of a carrier. Five nuclear powered submarines cost the same as one aircraft carrier.

The information I have received—and I am sure the Senator from Georgia is a far better authority on this subject and on all other defense matters than I am—is that the appropriation has not been increased for the M–14 rifles. Complaints have been received from the Chief of Legislative Liaison, Department of the Army, that the Army is not getting the rifles in the numbers needed because funds have not been adequate to provide enough. I know from my own personal experience that at Fort Lewis our Wisconsin 32d National Guard is very short of M–14 rifles.

Mr. RUSSELL. There has been a lag in the equipping of the infantry and Marine Corps with M–14 rifles. Progress is being made in that direction. I wholeheartedly agree with the Senator from Wisconsin. There is no bargain counter for weapons, when it comes to today's complicated, complex system and the entirely new problems with which we are confronted in the waging of war. It so happens that there are several weapons systems today on which we are spending enormous sums, although we do not know whether they will have any great value in the event of war. But we cannot afford not to build them, because it might turn out that they will be of great value. There is no bargain counter for security today. I think the Senator will agree that the Military Establishment of this country today has been worth its cost considering what we seek to preserve.

Mr. PROXMIRE. I wholeheartedly agree with the Senator from Georgia. We cannot put a price on freedom; we cannot put a price on independence. If we cannot defend ourselves, then what we have in the country today is worthless.

Mr. RUSSELL. I was about to say that if we could not defend ourselves, we would lose our liberties and be overrun by the Soviets. We would not have urban renewal programs and projects of that kind. We would all be slaves, chained to the wheel of state, and the whole world would be plunged into darkness.

I agree with the Senator that there is great waste in the program, too. There is something about preparing for destruction that causes men to be more careless in spending money than they would be if they were building for constructive purposes. Why that is, I do not know; but I have observed, over a period of almost 30 years in the Senate, that there is something about buying arms with which to kill, to destroy, to wipe out cities, and to obliterate great transportation systems which causes men not to reckon the dollar cost as close as they do when they think about proper housing and the care of the health of human beings.

Mr. PROXMIRE. What the Senator has said is absolutely correct. We shall have to make these decisions. The Chief of the Air Force, the Chief of the Army, the Chief of the Navy can come to Congress and make fantastic requests for money. We must make the judgment. We can always say, as to any request, that the price of defense is high, and justify any expenditure on that basis. That is the easy way. But we must make these hard judgments. That is why I think the case which can be made against the aircraft carrier should be made and should be considered. Senators should stand ready, if they are convinced that there are better ways to spend the money, at least on defense, to delete the aircraft carrier, and not spend the money for it.

What disturbs me most is that the able Committee on Armed Services—and I do not think there is any more expert or, as other Senators have said, more responsible or more burdened committee than the Committee on Armed Services—in the table contained in its report shows that the amount requested for aircraft for the Army is $218,500,000; no change. The Committee on Armed Services apparently has left the amount just as it is, so far as H.R. 9751 is concerned.

For the Navy and Marine Corps, the amount requested for aircraft is $2,134,600,000; no change.

For the Air Force, the amount requested is $3,626 million, the increase of $491 million which I have discussed.

For missiles, the amount requested by the Army is $558,300,000; for the Navy, $930,400,000; for the Marine Corps, $22,300,000; for the Air Force, $2,500 million. There is not 1 cent of change by the Senate committee in any of those items.

Mr. RUSSELL. I point out that the Senate committee has reduced the amount as it came to us from the other body by nearly $100 million. We did not reduce it below the amounts recommended by the Secretary of Defense. We added to them when we included the $491 million.

Mr. PROXMIRE. What was that reduction?

Mr. RUSSELL. Army aircraft and missiles and a slight reduction in Air Force missiles.

Mr. PROXMIRE. So what actually happened was that the Senate Armed Services Committee voted to eliminate the increases the House voted in connection with the requests of the Department of Defense?

Mr. RUSSELL. Those over and above what the Department had requested.

Mr. PROXMIRE. But the Senate committee accepted the request of the Secretary of Defense, in one type of weapon after another verbatim, did it?

Mr. RUSSELL. That is correct.

Mr. PROXMIRE. I realize that it is difficult to expect any Senator to vote for a reduction in defense spending against the opinion of the Secretary of Defense——

Mr. RUSSELL. The action we take here is not the final action on this matter.

Mr. PROXMIRE. But the experience last year and the year before is that we go ahead——

Mr. RUSSELL. We could include limitations, so as to prevent the Appropriations Committee from voting in favor of providing appropriations for the full requests made by the Secretary of Defense. But we know that the President reduced by approximately $3 billion the requests made by the Department of Defense, before they were sent to the Bureau of the Budget; and in the Bureau of the Budget, further reductions were made.

Of course any Senator has a right to propose to strike out any item of the bill. However, without these authorization items, the Appropriations Committees could not even consider the full amounts of the President's appropriation requests.

Mr. PROXMIRE. I understand. But of course in the past the Appropriations Committees have virtually accepted intact the full requests made by the Department of Defense.

Of course I admire very greatly the Senator from Georgia as one of the outstanding Members of the Senate; but certainly we must demonstrate a willingness to consider the making of such changes. If we do not demonstrate that, then it would seem that we have no alternative but to accept the Department's requests; and, in that event, no reductions in the Department's requests ever would be made.

Certainly we recognize that the Secretary of Defense has very great ability; but I think the outstanding service which Congress performs is, in many respects, in sifting and winnowing the departmental requests—in which process the Members of Congress use their own intelligence and their own sense of responsibility, however painful that may be.

Mr. RUSSELL. I agree with the Senator. But I am frank to say that the errors I may make in connection with this matter will be made on the side of providing too much, rather than too little. When it comes to the question of providing arms, weapons, and men to assure the security of these United States—and that means the security of the entire free world, because the United States is the main prop, militarily, of the free world—if I made a mistake, I will make it on the side of extravagance and on the side of spending and providing too much, rather than on the side of spending or providing too little. I hope we shall never need any of these weapons; but I prefer to have them available, and not be needed, rather than to need them, and not to have them available, and not be needed, rather than available. If we ever needed them, but did not have them available, that would mean that the American way of life, as we have known it, would be gone.

But I agree that any Senator who believes this program is wrong in any detail, and who believes either that it provides too much—in which case he should move to reduce it—or believes we are placing the emphasis on the wrong spot, and believes that a transfer to another item should be made, should rise on the floor of the Senate and so state. Certainly I have never criticized any Senator for doing so.

Mr. PROXMIRE. I realize that. But I remember that last year, when I offered an amendment which had the support of the President of the United States and the Secretary of Defense, and seemed to have a great deal of merit, on the basis of a letter the Secretary of Defense wrote, when the amendment was voted on by the Senate, it was rejected; the vote was 4 in favor of the amendment and 84 opposed to it. That shows the kind of realistic opportunity any Member of the Senate or any Member of the House has to exercise effective discrimination or judgment as regards accepting approximately 55 percent of our whole Federal budget, which defense spending represents.

Mr. RUSSELL. I was one of the Senators who opposed that amendment, and our side won in the Senate. However, the Senator from Wisconsin can correctly say that we then gained a Pyrrhic victory, because although the Senate defeated the amendment, in the long run the President and the Secretary of Defense did not spend the money, anyway. So in that way the Senator from Wisconsin gained his point.

However, I believe that the President and the Secretary of Defense were wrong; and I would feel much better if the B–52's were rolling off the assembly lines right now. I hope that time and events will prove that I was completely in error. However, as I have said, I prefer to provide too much, rather than too little.

But the Senator from Wisconsin won his fight in that way, even though in the Senate there were only four votes in favor of his amendment, because the overwhelming majority of votes in the Senate and in the House of Representatives were overruled in that way by the Secretary of Defense.

In that process we see in operation the system of checks and balances which makes our Government the greatest on earth.

Mr. PROXMIRE. This is exactly the point we won when the Secretary agreed with us. If he disagreed on spending there would be no chance. Mr. President, I thank the Senator from Georgia for his great patience in replying to my questions.

I wish to say that although I am not offering any amendments at this time, I probably shall offer an amendment to reduce the amounts to those requested by the administration for the RS–70 program, when the appropriation bill comes before the Senate, and to eliminate the aircraft carrier. But I shall not offer such an amendment now, because then I would virtually repeat the process when the appropriation bill did come before the Senate.

Mr. RUSSELL. I thank the Senator from Wisconsin.

Mr. DWORSHAK. Mr. President, will the Senator from Georgia yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Georgia yield to the Senator from Idaho?

Mr. RUSSELL. I yield.

Mr. DWORSHAK. Mr. President, I have listened with much interest to the debate regarding the aircraft program and the programs for other implements of war for the Department of Defense.

I should like to ask whether the official spokesmen for the Department of Defense recommend the authorization of funds with which to construct another aircraft carrier.

Mr. RUSSELL. Yes, both the Secretary of Defense and the Secretary of the Navy testified in favor of providing funds for an additional aircraft carrier. They pointed out that many of our carriers now in use are almost 20 years of age.

Mr. DWORSHAK. The Senator from Wisconsin indicated, a while ago, that he was very eager to follow the recommendations of the Defense Department in regard to the B–70 bomber program. If he follows the same procedure, will not he now support the proposal for the appropriation of funds with which to construct an additional aircraft carrier?

Mr. PROXMIRE. Mr. President, if the Senator from Georgia will yield to me at this time——

Mr. RUSSELL. I yield.

Mr. PROXMIRE. Let me say that I followed the view of the Secretary of Defense in that instance, because of the very cogent basis of his reasoning. But I will never surrender the responsibility to use my own judgment; and I happen to think that the Secretary of Defense is wrong in his recommendation in regard to aircraft carriers, and that he is right in his recommendation in regard to the RS–70 program. That is why I take this position.

Mr. DWORSHAK. The Senator from Georgia, the chairman of the Armed Services Committee, is also a very able member of the Appropriations Subcommittee which handles the appropriations for the Department of Defense. Is it not true that after holding many weeks of hearings on the various items for the Department of Defense requested by the Budget Bureau and the President, close scrutiny is given to every request made, a balance is struck as between the desirability of the several categories, and there is no inclination whatever on the part of the members of that Appropriations Subcommittee to follow blindly the Bureau of the Budget requests; but, instead, the committee members use their collective judgment in trying to allocate in the most effective manner the ceiling this year of approximately $50 billion?

Mr. RUSSELL. Certainly that is true; and it is manifest from the fact that last year, although we made some minor reductions in the budget, we added $525 million for a new wing of B–52's, which was not included in the requests.

Mr. DWORSHAK. What happened to that new wing?

Mr. RUSSELL. As I pointed out a moment ago, the President and the Secretary of Defense did not agree with the majority of the Congress; and the President and the Secretary of Defense closed down the assembly line, and the result is that soon we shall be out of production in this country of manned long-range bombers.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. DWORSHAK. I also want to commend the distinguished chairman of the committee, who, as I have already said, is also a member of the Appropriations Subcommittee which handles the Defense budget, because of his long experience in the Senate in dealing with the very complex problems of national defense. He has rendered over the years outstanding service to his Nation. It has been my privilege to observe his work. He has been independent and courageous in doing those specific things which he considers vital to the Defense Department and to our national survival.

Mr. RUSSELL. I am deeply appreciative to the distinguished Senator for that compliment.

DEVELOPMENT OF THE B–70

Mr. ENGLE. Mr. President, in the past I have made a number of statements on the floor of the Senate urging the development of the B–70 as a complete weapons system. My colleagues are familiar with the arguments I have advanced to support my contention and I will not repeat them at this time.

Today the B–70 is known as the RS–70, and I am as strongly convinced as ever of the need to accelerate its development. I am happy that the House and Senate Armed Services Committees feel the same way.

I hope that the Senate will act favorably on the authorization of funds rec-

ommended by the House and Senate committees for this program. I hope also that the Secretary of Defense will lose no time in carrying out his promise to take another look at the program and to give full consideration not only to the size of the program recommended by the committees but the depth of the committees' conviction in approving the program.

It is in the interest of our country's security that we get moving as fast as possible on the RS–70.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 9751) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

THE 100TH ANNIVERSARY OF THE BIRTH OF CHARLES EVANS HUGHES

Mr. JAVITS. Mr. President, I invite the attention of the Senate to the fact that today is the 100th anniversary of the birth of Charles Evans Hughes.

In a most eloquent editorial today, the Washington Post and Times Herald cites the extraordinary achievements of this very gifted and important New Yorker.

Mr. President, I think we should all express gratitude and satisfaction that this is an American who, in the middle 1930's, held evenly the scales of justice and fought the "packing" of the Supreme Court in a very adroit way—and yet in a way completely compatible with his judicial duties. I think those who believe in the rule of law must be ever grateful to Charles Evans Hughes for this as well as other historic services.

Mr. President, I ask unanimous consent that the editorial may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HUGHES CENTENNIAL

Today is the centennial of one of the best known figures among the great men who have presided over the Supreme Court. At the time of his birth in Glens Falls, N.Y., on April 11, 1862, the only son of a humble Baptist minister, Charles Evans Hughes would scarcely have been singled out as a prospect for an eminent place in the legal history of the country. As a young man, however, he found a consuming interest in the law, and that interest seemed to propel him into public life. His first momentous undertaking was the investigation of the life insurance business in New York; then he was twice elected Governor of New York State, appointed to the Supreme Court of the United States, nominated for the Presidency in 1916 against his wishes, defeated in a close race by Woodrow Wilson, gave up a lucrative practice of law in 1921 to become Secretary of State, served briefly as a member of the World Court and finally became Chief Justice of the United States at the age of 67.

Despite the wide range of his public service, Mr. Hughes' name is most prominently associated, on this centennial occasion, with his contributions to constitutional law upholding civil liberties and with his piloting of the Supreme Court through its darkest days of this century. No doubt the opinions of the Chief Justice in the New Deal cases of 1935–37, and his leadership of the Court through the difficult period when President Franklin D. Roosevelt sought to pack it, will always remain subjects of controversy. Nevertheless, the country will always remain grateful that, through the power of public opinion, the independence of the Senate and the skill of Chief Justice Hughes, the ignominy of court packing was avoided.

Mr. Hughes' steersmanship through this turbulent era compares most favorably with the conduct of his predecessors in previous crises. When the Supreme Court was under heavy pressure from the Jefferson administration, during the attempt to impeach Justice Chase, Chief Justice Marshall retreated to the extent of suggesting that Congress reverse decisions of the Court which it deemed unsound. In the Court's Civil War crisis, Chief Justice Taney allowed it to slip into open feuding with the Lincoln administration. Hughes avoided both these unfortunate precedents by maintaining a judicial attitude and by resisting both the extreme standpatism of the conservative wing of the Court and the more vulnerable of the New Deal recovery measures.

While controversy continues over specific decisions and over the precise role that Mr. Hughes played, the sweep of judicial history has confirmed the wisdom of his concept of a "marching Constitution" and appreciation for his skill in presiding over a court of nine eminent and independent-minded jurists has constantly grown. Whatever his mistakes of judgment, they were conscientiously made after soul-searching diligence. And if his concept of a "marching Constitution" did not always keep pace with the temper of the country, it helped to restrain some excesses, such as the NRA, that were incompatible with our system of limited government.

On the basis of his whole career, Charles Evans Hughes earned the lasting gratitude of a free people. His centennial is an occasion on which the country may well express appreciation for the strength of its judicial institutions.

THE ARAB-ISRAEL ISSUE

Mr. JAVITS. Mr. President, I invite the attention of the Senate to a strong editorial published in the New York Times of today entitled "Evading the Arab-Israel Issue," which I ask unanimous consent to have printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EVADING THE ARAB-ISRAEL ISSUE

In one of those actions that feed criticism of the United Nations, the Security Council has meted out something less than even-handed justice in the Syrian-Israeli dispute.

The Council was right and bound by the precedent of its 1956 resolution to condemn Israel's latest escalation of a border incident into a major military action as a "flagrant violation" of the armistice agreement. It was equally right in calling on both Syria and Israel to comply with the armistice agreement and the United Nations Charter, in moving to strengthen the truce supervisory machinery and in requesting both sides to cooperate with it in maintaining peace.

But the council fell short of both impartiality and its own principles in two respects. It failed to condemn Syria for provocations which, according to the American delegate, included artillery fire that raised the Syrian action above a minor incident. Furthermore, and more important, it failed even to take cognizance of the basic cause of these recurrent incidents. This cause is the lack of an Arab-Israel peace settlement. The absence of such a settlement has put Israel under a blockade and constant threats of extermination that explain if they do not excuse, Israel's overaggressive reactions.

The Council's resolution can only encourage Syria and other Arab States to continue to harass Israel and to prevent its development through irrigation projects in which Israel's neighbors refuse to join, even for their own benefit. It is the first duty of the United Nations to promote the establishment and maintenance of peace. Neither Arab bellicosity nor Israeli reluctance to discuss concessions should keep the U.N. from fulfilling this task.

Mr. JAVITS. On tomorrow, if our work permits, I hope to undertake some debate upon U.S. policy in the Israel-Syrian dispute which was passed upon by the U.N. Security Council with a resolution, which I think is ill-advised in terms of American foreign policy as referred to in the editorial.

ANGOSTURA UNIT, MISSOURI RIVER BASIN PROJECT

Mr. MANSFIELD. Mr. President, because of a time limitation, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of S. 2522.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2522) to defer the collection of irrigation maintenance and operation charges for calendar year 1962 on lands within the Angostura unit, Missouri River Basin project.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, line 5, after the word "charges", to strike out "for the calendar year 1962 against the lands within the Angostura unit, Missouri River Basin project, until the termination of the contract providing for the repayment of such charges" and insert "due in the calendar year 1962 as shown in the March 14, 1961, notice of 1962 water charges to the Angostura Irrrigation District: *Provided*, That the Secretary and the district enter into a contract prior to May 1, 1962, for the payment by the district of such deferred charges during the forty-year period commencing January 1, 1966."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to defer, without interest, the collection of irrigation maintenance and operation charges due in the calendar year 1962 as shown in the March 14, 1961, notice

of 1962 water charges to the Angostura Irrigation District: *Provided*, That the Secretary and the district enter into a contract prior to May 1, 1962, for the payment by the district of such deferred charges during the forty-year period commencing January 1, 1966.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent to have printed in the RECORD at this point excerpts from the report of the Senate Committee on Interior and Insular Affairs, showing the purposes of the bill, and its endorsement by the Bureau of Reclamation and the Bureau of the Budget, with the amendment.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

AMENDMENT

The committee adopted the amendment recommended by the Department of the Interior to clarify the intent of S. 2522 and to provide repayment flexibility by making it possible to spread the deferred charges over the entire 40-year repayment period at the rate of $0.086 per acre annually.

PURPOSE

This bill would authorize the Department of the Interior to defer the collection of operation and maintenance charges due in 1962 from the Angostura Irrigation District. An extended drought has caused a critical water shortage with resultant decreases in crop production. Records indicate that the annual runoff within the basin has been decreasing for the past 3 years. In 1959 it was 42 percent of normal. In 1960 it was 29 percent while in 1961 only 25 percent of the annual average. Because of the shortage much of the land was not irrigated with low yields on the balance. Many of the district water users have loans on land, improvements, and equipment. As a result of a situation over which they had no control many of the landowners are in a critical financial condition and are unable to meet the 1962 charges now due.

The committee feels that temporary relief is urgently needed and justified under the circumstances.

DEPARTMENTAL REPORTS

The report of the Department of the Interior recommends enactment of S. 2522 if it is amended. The amendment by the Department was adopted by the committee. The Bureau of the Budget has no objection to the enactment of S. 2522 if the amendment recommended by the Department of the Interior is adopted. The reports follow:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 15, 1962.

Hon. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR ANDERSON: This responds to your request for the views of this Department on S. 2522, a bill to defer the collection of irrigation maintenance and operation charges for calendar year 1962 on lands within the Angostura unit, Missouri River Basin project.

We recommend enactment of this bill if it is amended as suggested hereinafter.

Enactment of this legislation would authorize the Department to defer the collection of $42,000 of operation and maintenance charges due in 1962 from the Angostura Irrigation District. Such action is needed because an extended drought period has caused a critical water shortage with resultant decreases in crop production. According to the notice issued to the irrigation district on March 14, 1961, pursuant to the water service and repayment contract between the district and the United States, the 1962 charges are payable on or before April 15, 1962.

Irrigation facilities to serve substantially all of the 12,135 acres of irrigable land in the Angostura Irrigation District were completed in time to announce the beginning of the 10-year development period on January 1, 1956. The 40-year period for repayment of construction costs will commence in 1966 upon completion of the development period. The existing water service and repayment contract, executed May 29, 1951, requires the payment of all costs of operation and maintenance during the development period. While the cost of operating the distribution system in 1962 could be spread over the 3 remaining years of the development period, this procedure would increase the annual per acre payments to at least as much as those in the repayment period beginning in 1966. In effect, this would reduce the development period by 3 years.

Records for the drainage area of Angostura Reservoir show that during 1959 the amount of runoff was about 42 percent of the annual average for the period 1950 through 1960. In 1960, the runoff amounted to 29 percent of the average for the same period; and in the first 8 months of 1961 the runoff was only 25 percent of the average for the same months of the preceding 11 years. Consequently, carryover storage in the reservoir was not sufficient to meet normal irrigation requirements in 1960 and 1961, and is severely short of meeting 1962 crop needs.

Annual runoff from the Cheyenne River watershed above Angostura Reservoir and annual precipitation measured at Angostura Dam have varied since 1956 as follows:

Year	Runoff (acre-feet)	Precipitation (inches)
1956	51,680	13.43
1957	140,556	21.00
1958	102,829	13.59
1959	34,562	14.43
1960	24,010	8.12
1961	[1] 19,603	[2] 9.72

[1] Runoff from Oct. 1, 1960, through Aug. 20, 1961.
[2] Precipitation from Jan. 1 to Sept. 1.

Approximately 33,000 acre-feet of water delivered to farm turnouts are necessary to meet normal yearly irrigation requirements. This means that about 54,000 acre-feet of water must be available for diversions since the supply and delivery systems operate at an efficiency of only 60 percent. The necessary amount of water was available to project lands through the year 1959. By 1960, water supplies were so short that only 16,000 acre-feet were available to farm turnouts. In 1961, an estimated 6,400 acre-feet were delivered to farms. The extended drought has, therefore, so reduced the volume of water in the reservoir that carryover storage has been insufficient to meet irrigation requirements.

Careful and painstaking water management in 1960 enabled the water users to produce good crops on most of their land. Pastures and some hay land were neglected in order to use the available water on sugarbeets and corn. These practices seriously depleted soil moisture reserves and water has not become available to replenish them. In 1961, with natural precipitation at 80 percent of average and only 20 percent of the required irrigation water available, the acreage irrigated was reduced substantially. Many of the crops which were planted suffered badly due to a lack of moisture.

Many of the district water users have loans on land, improvements, and equipment. They have other loans to pay seasonal operating expenses. With failing crops, these landowners are in critical financial circumstances, and most of them will be unable to meet the 1962 charges required by existing contractual arrangements. We believe that relief from these payments is fully merited and sorely needed.

Our conclusion is that hardship conditions exist on the project. The Bureau of Reclamation has been doing everything possible to improve the critically short water supply. A substantial canal and lateral lining program is underway and will result in a significant saving of water currently being lost. In addition, preliminary studies show that limited amounts of water could be diverted from Fall River into Angostura Reservoir. These procedures will improve conditions but they cannot be fully accomplished for some time. Some benefits, however, should occur in 1963. Meanwhile, the water users urgently need the temporary relief which the proposed bill will provide.

To clarify the intent of S. 2522, we recommend that all of the language in the bill following the word "charges" on line 5 be stricken, and that there be inserted the following: "due in the calendar year 1962 as shown in the March 14, 1961, notice of 1962 water charges to the Angostura Irrigation district, provided that the Secretary and the district enter into a contract prior to May 1, 1962, for the payment by the district of such deferred charges during the forty- (40-) year period commencing January 1, 1966."

This procedure would provide flexibility by making it possible to spread the deferred charges over the entire 40-year repayment period at the rate of $0.086 per acre annually.

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 6, 1962.

Hon. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letters of August 25, 1961, and September 12, 1961, requesting the views of the Bureau of the Budget on S. 2462 and S. 2522, respectively, bills to defer the collection of irrigation, maintenance, and operation charges for calendar year 1962 on lands within the Angostura unit, Missouri River Basin project. We were informally advised by committee staff that S. 2522 supersedes S. 2462 and are, therefore, providing our views on S. 2522 only.

The purpose of the bill is clearly stated in its title.

The Reclamation Project Act of 1939 (53 Stat. 1187, 43 U.S.C. 485) requires that operation and maintenance costs be paid annually by the water users in advance of water delivery. The Department of the Interior, in a report being submitted to your committee on S. 2522, indicates that there are extenuating circumstances that appear to justify an exception in this case to the Reclamation Project Act of 1939. The Department of the Interior, in its report, recommends enactment of S. 2522 if amended in certain respects.

On the basis of the information provided in the Interior report to your committee, the Bureau of the Budget would have no objection to enactment of S. 2522 if amended as recommended by the Department of the Interior.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2522) was ordered to be engrossed for a third reading, was read the third time, and passed.

STEEL PRICE INCREASE

Mr. HUMPHREY. Mr. President, I shall be brief.

The action of United States Steel Corp. in raising steel prices $6 a ton is contrary to the public interest. It is inflationary. It is an affront to the President. It is an irritant to labor. It is economic arrogance. It is an additional burden on the consumer, and it can, and most likely will, set in motion a round of wage and price increases throughout vast areas of American industry.

Finally, it seriously weakens American capacity to compete in foreign markets. In the face of repeated statements by leaders of the steel industry that "we are pricing ourselves out of the world market," the United States Steel Corp. raises prices and admittedly weakens its competitive position in the international market.

Now, I understand, other steel companies are doing the same.

The action of United States Steel stands in sharp contrast to the self-restraint and responsibility of the United Steelworkers in their recent negotiations. The steelworkers heeded the call and the plea of the President to hold the line. The ink is scarcely dry on the contract between the companies and the union, when, with no advance notice to Government, public or labor, United States Steel raises its prices.

I noted that the New York Times of this morning indicated some of the attitude which existed in the steel industry. A statement was published to the effect that the steel executives were jubilant over the action taken last evening.

I ask unanimous consent that at the conclusion of my remarks, the articles from the New York Times of April 11 may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, the contract entered into between United States Steel Corp., and the United Steelworkers of America this past Friday gave our Government and all other objective observers confidence that steel prices would remain steady. The increased labor costs—as a result of the new agreement—do not exceed the 2½ to 3 percent increase in productivity in the industry. Production per man-hour will continue to increase at a rate adequate to cover the added labor costs. These are the cold, hard facts.

The nationwide concern over the inflationary effects of United States Steel Corp.'s price increases is shared by the United Steelworkers of America. I read the statement of David J. McDonald, the highly respected and responsible head of that great labor organization:

> I am surprised, troubled, and concerned by the announcement of United States Steel that steel prices are being increased by $6 per ton.
>
> The Steelworkers Union has never bargained with the steel companies about prices—and it would not do so this year—the decision of United States Steel is its own—not ours. We had no understanding or no discussion with the company on prices—I was surprised by the announcement, nevertheless, because the fact is that as the President of the United States has said, our settlement was entirely noninflationary and well within the current increases in steel productivity.
>
> I am troubled by United States Steel's attempt to place the blame for this price increase upon the settlements which have been made in the past by United Steelworkers. The fact is that since 1958, the date of the industries' last increase, the labor cost of producing a ton of steel has gone down, not up, despite the increases in wages and other benefits which have been negotiated in that period. I am concerned by the announcement because of the possible effect of the price increase on the Nation's economy and the Nation's position in the world.
>
> I remain pleased with our new labor agreement, nevertheless, and congratulate all those who helped bring it about.

I understand that Bethlehem Steel Corp. announced this noon that it, too, is increasing its prices. That action is most unfortunate.

It had been hoped—and I still hope—that one of the steel companies will hold the line. It is difficult to understand how the Bethlehem Steel Corp. could take this action in view of the statement only yesterday by the president of the company, Mr. Edmund F. Martin, as reported in today's issue of the New York Times. That statement was to the effect that there should not be any price rise even after the new labor contract goes into effect on July 1. Mr. Martin said:

> We should not do anything to increase our costs if we are to survive. We have more competition both domestically and from foreign firms. And we need to sell more steel.

The price rise flies squarely in the face of that statement. The price increase will make it ever more difficult for U.S. steel firms to compete in the highly competitive international markets, such as the Common Market of Western Europe, the Japanese steel market, and, indeed, the Sino-Soviet bloc market.

In view of Mr. Martin's remarks it would be interesting to know why Bethlehem has now decided to boost its prices too. Why did it switch signals? Is United States Steel's power so great in the industry that it can, in effect, dictate terms to its competitors? I am convinced that a thorough investigation of the price mechanisms in the steel industry is in order—both by the executive and legislative branches of our Government. I do hope and suggest that the two branches of our Government arrive at a common policy and agreed to upon procedure for any such inquiry. It would be well to have immediate consultation between the White House and the Congress.

The story in the New York Times fortifies what I said a moment ago about the competitive position of American steel in the world markets. The price increase will weaken America's economic position abroad. I repeat that the action of the steel companies does a disservice to our Nation. It does a disservice to our economy, and the effect of the steel price rise will be reflected in the price of automobiles and refrigerators, building construction, and durable goods.

Moreover, the increase will be reflected in the defense budget of our Nation. A few moments ago there occurred the third reading of a bill that would authorize the procurement of billions of dollars worth of military hardware. The $6 a ton increase in the price of steel will mean that the procurement of the planes, missiles, and naval ships that is to be authorized by the proposed legislation will be cut back. It will have the effect of unilateral disarmament by the steel industry. The taxpayer and the Nation are being hurt.

We were about to authorize—and we shall today authorize—the expenditure of many billions of dollars in military hardware based upon prices that were supposed to remain stable and steady. Today those prices go up. Therefore, authorization of today will not provide the number of planes, missiles, rockets, submarines, aircraft carriers, and the other items of military hardware that we had been contemplating. In other words, we have already taken a cut in the measure that was brought here by the Senator from Georgia [Mr. RUSSELL], not by an action of the Congress, but by the action of some powerful corporations of our country.

I recognize that a corporation has a right to set the price of its commodity. But I also recognize that these same companies have a responsibility to enter into open competition. I am amazed to find that one company could announce only yesterday that it wants no rise in the steel price—that a rise in the steel price would be unnecessary, undesirable, and injurious to our Nation in the world markets—and only 24 hours later, after the United States Steel Corp. announces an increase of $6 per ton in the price of steel, that company—one of the so-called competitive companies—automatically announces another $6 increase.

Mr. McGEE. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. I yield.

Mr. McGEE. It is not unusual, is it, that the satellites of the Kremlin sometimes find themselves reversed overnight without any fair warning? Would the Senator from Minnesota see any parallels in this circumstance?

Mr. HUMPHREY. I do not want to do a disservice to any of our private companies. I wish only to say that it is very disturbing to the Senator from Minnesota to see companies that say they represent free and competitive enterprise follow the leader like sheep.

I appeal to one of the steel companies to demonstrate its independence and its concern for the well-being of our Nation by maintaining the old price. It was quite obvious that only yesterday one of the larger companies thought it was not necessary to increase the price. But the price was increased as soon as the steel companies had arrived at an agreement with the union and representatives of every local union had affixed their signatures, then, though there have been hearings on the tax bill, without warning to the Congress, the President, or anyone else, and without even any public discussion or, as far as that is concerned, any private discussion, the price was increased.

A few days ago I sat in my office with representatives of the largest steel corporation in the United States—the United States Steel Corp. There was no indication of the action announced today as we discussed the possibility of investment in large taconite plants in northern Minnesota, and in iron ore reducing plants.

The President of the United States had indicated to the American people—and he had a right to do so—that the recent agreement was noninflationary. If it was noninflationary, there was no reason for anyone to anticipate a price increase.

Mr. McGEE. Does not the assistant majority leader agree that the tasks of Senators on both sides of the aisle are really complicated when we are upbraided for Government's concern with relation to the operations of business?

Again and again we are told that business can regulate itself and that business has a new social responsibility. Then we are confronted with a development, without warning, of the magnitude of an increase in the price of steel of $6 per ton. We are rolled back, heaven knows how far, in our attempts to keep the self-regulatory strength of our private interprise system operating successfully in our country. It seems to me that United States Steel has done a disservice to the private enterprise economy of America in acting in the way it has, at a time when every effort is being made from the business consumer's and Government point of view to arrive at a stabilization of our economy.

I wish to join those who have expressed their dismay. If there is a strong four-syllable word to describe our being fed up with this kind of condition, it can be inserted at this point in the RECORD. It seems to me that if we are to make the system work, we must have from business itself a willingness to keep an obligation and a responsibility with respect to price holding and price stabilizing in our economy. The steel companies have failed us in that regard at this time. I associate myself with the remarks of the distinguished Senator from Minnesota.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BARTLETT. My thoughts were expressed by the Senator from Minnesota in words that I should like to have used.

This morning's newspaper stated that the wage increase amounted to 2½ percent and the price increase amounted to 3½ percent. That would imply that every time the steel companies pay extra wages, they make more profits. We know that that will not be the case in the long run because of the law of diminishing returns.

I wish to agree wholeheartedly with the Senator from Wyoming [Mr. McGEE] in his statement that this is a damaging blow to the free economy system. I think it is irresponsibility run wild. It is true that these corporations have an obligation to their stockholders, but they have an even greater and deeper obligation to the Nation.

Mr. HUMPHREY. I thank the Senator.

Mr. HART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HART. Those of us who have had the privilege of knowing the President of the United States during his period of service in the Senate know him to be a man of temperate judgment, discipline, and restraint, a man of eloquence and great courage.

I ask unanimous consent that the ticker tape summary of the President's statement on this subject at his press conference today, which has come over the news wires, be made a part of the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON.—President Kennedy said today the steel price increase announced by major producers was "wholly unjustifiable" and "irresponsible defiance" of the Nation's interests.

Kennedy denounced price rises by United States Steel Corp. and the other firms at the opening of his televised news conference. He called attention to the fact that the price increases were "simultaneous and identical."

The Chief Executive appeared to be in a grim mood as he read his statement to newsmen. Speaking in deliberate, stern tones, he charged that "a tiny handful of steel executives" had acted "in pursuit of private power and profit" and had shown "utter contempt for the interests of 185 million other Americans."

He said they had done this at a time when the American people were being asked for "restraint and sacrifice."

The President said the steel price rise came in a "serious time in the Nation's history" when the United States faces "grave crises in Berlin and southeast Asia" and also is seeking recovery from economic instability.

He also said it came at a time when "we are asking reservists to leave their homes and families" and when "servicemen are risking their lives." He said that four Americans had been killed in the last 2 days in South Vietnam.

Kennedy said that if the steel price increase is "imitated by the industry instead of being rescinded," it would increase the cost of homes, automobiles, appliances, and other goods for every American family.

He said it also would increase the cost of machinery and tools for businessmen and farmers, would "handicap our efforts to prevent an inflationary spiral," and would "make it more difficult for American goods to compete in foreign markets."

Moreover, he said, Defense Secretary McNamara had informed him today the steel price rise would "add $1 billion to the cost of our defenses at a time when every dollar is needed for national security."

Within less than 24 hours after United States Steel Corp., the Nation's largest producer, announced a $6-a-ton increase, the other major firms followed suit. Bethlehem Steel, the No. 2 producer, was the first to fall in line. Jones & Laughlin Steel Corp. and Republic Steel Corp. were next.

The President said that price and wage decisions in this country were made freely by the parties involved.

But, he added, the American people have a right to expect a higher sense of business responsibility for the Nation's welfare than some of the steel firms have displayed.

He recalled that he had told the Nation not to ask what its Government could do for it but rather how it could assist the national welfare.

"I asked the steel companies the same question and in the last 24 hours we had the answer," he said, in his prepared remarks on the steel price boost.

Mr. HART. I believe this should cause us all to think, including the United States Steel Corp. leadership.

I was privileged to sit as a member of the Antitrust and Monopoly Subcommittee of the Judiciary Committee some time ago when we heard Roger Blough testify in opposition to a bill then pending before the committee which would have required pre-price-rise notification whenever a basic industry intended to change prices.

I believe it would have required an industry to file this notice with the Federal Trade Commission about 30 to 40 days prior to the effective date of the price increase.

Would not Mr. Roger Blough be in a much stronger position if he had complied with a law such as the one that was proposed? He would not have dumped us over the cliff or run us down the path which we believe we have been treading. As a matter of fact, I had great reservation about the wisdom of enacting that bill.

Surely, in the light of events of the last 24 hours, I believe that somehow or other the Federal Government ought to be big enough to develop an instrument whereby the voice of the consumer in America can be heard, whether it is in the White House, in the form of a consumer council, or at the Cabinet level. Surely we ought to be able to turn to a reasonably objective source for that information.

We are reacting somewhat emotionally ourselves. Perhaps we are reflecting some of the frustration we feel because we have not been able to get this kind of information. If the Government of the United States is big enough to defend freedom, it ought to be wise enough to develop a device which will let the consumer be heard on this subject.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MONRONEY. I was very much interested in the very effective address made by the distinguished assistant majority leader, the Senator from Minnesota [Mr. HUMPHREY]. I particularly agree with him in his statement that this was an example of grossly irresponsible management leadership, and that it is a great misfortune to this Nation, as we struggle to walk the path between the alternative cliffs of inflation and depression, to have an industry which is as basic as is steel, suddenly, without warning, and without justification,

throw this bombshell into our very delicately poised economy.

At this time, certainly the protection of the stockholder is of vital importance, but the protection of this Nation, our economy, and our foreign markets, by stabilizing the prices of millions of items made from steel are also of great importance.

I have seen no justification, and the committees of Congress have found none, for the rise of $6 per ton in the price of steel.

During the war, when we had price control, when hundreds of billions of dollars were dumped into the war effort, the basic price line that had to be held was steel. On wages the formula was "little steel." The price line was held after we had acquired this firm control of the price of steel. As a result, the cost of living showed practically no escalation. It did not show any until prices were prematurely decontrolled.

I hope that the rest of the steel industry will not be misled or stampeded into imitating this very bad move on the part of United States Steel, a move which is dangerous to this Nation's economy, and follow, sheep-like, the example of a company that apparently has little respect for efforts to control inflation but, instead, is steaming full speed ahead into those very waters that endanger our economy.

I thank the distinguished Senator from Minnesota.

EXHIBIT 1

[From the New York Times, Apr. 11, 1962]

INCREASE A BLOW FOR WHITE HOUSE—ADMINISTRATION HAD SOUGHT TO BAR RISE—UNION AID IS "SHOCKED AND SURPRISED"

(By Richard E. Mooney)

WASHINGTON, April 10.—Administration officials were stunned by tonight's news that United States Steel was raising its prices.

They regarded the announcement from Pittsburgh as a frustrating end to a long and hard effort by President Kennedy and his principal lieutenants to get this key industry to hold the price line.

There was no immediate on-the-record statement about the increase from the White House or any other source. But one ranking official, hearing the news from a reporter, responded with an invective.

Senator ESTES KEFAUVER, Democrat, of Tennessee, who began an investigation of the industry by his Antitrust and Monopoly subcommittee 3 days after the last general price increase in 1958, likewise withheld comment tonight.

UNION SOURCE SHOCKED

In Pittsburgh, United Steelworkers Union sources indicated privately that they were "shocked and surprised" by the increase, but did not want to engage in a public quarrel with United States Steel.

Word had circulated within the administration in recent days that one of the smaller steel companies was preparing to raise its prices. Presumably the administration moved in as it has on the industry and the union for almost a year now—urging restraint.

The administration feels that steel prices and wages have been a major factor in general price and wage trends in recent years, a direct factor in the cost of the many things that are made of steel and an indirect factor setting a pattern for other industries and unions.

The administration started last spring to put pressure on the industry to hold the price line despite a wage increase that was scheduled to take effect in October.

Industry did hold the line, presumably as a result of the public pressure from the administration, combined with such other factors as foreign competition, slack business, and the President's open promise to help the industry resist excessive new wage demands when the union contract came up for renewal this year.

The administration's attention turned then to the wage negotiations. The President's Council of Economic Advisers published guideposts for noninflationary wage and price adjustments in January and the President personally asked the leaders of the industry and the union to sit down and arrange a new contract quickly without a strike.

The new contract was signed last Friday, 3 months before the old contract expires. The President, in a letter to David J. McDonald, the union president, called it "forward looking and responsible."

The new terms—no wage increase at all for 1 year and new fringe benefits costing about 10 cents an hour—were "obviously noninflationary and should provide a solid base for continued price stability," the President said.

SAID TO REFLECT PRODUCTIVITY

The administration, and labor authorities here, believed that the settlement was within the general rule set by the council's guideposts. That is, the increase in the industry's labor costs would not exceed the 2½ to 3 percent upward trend of productivity in the industry—the increasing output per man per hour.

In other words, they believed that a price increase would not be justified.

Assuming that the rest of the industry follows the lead of its biggest company, as it usually does, there is no certainty that the higher prices will, in themselves, set off a round of price increases in other industries, either steel-using industries or nonsteel industries.

Steel users may add the higher cost to the prices of their own products, as they have on past occasions, or they may absorb it. Nonsteel industries may or may not follow steel's example.

The disinclination of union sources to attack the price increase publicly—at least for the moment—stemmed from their hope that the recently negotiated labor contract would usher in a period of good feeling in industrial relations in the industry. They do not want to disrupt the harmony.

BAD JUDGMENT SEEN

Privately, highly placed union sources indicated that they felt the recent settlement provided no reason for the price increase and was "bad business judgment."

Last year, they said, there was a gain in output per man-hour in the steel industry of about 5 percent. That, they said, will more than offset the 2.5 percent increase in labor costs that will result July 1 when the new contract terms take effect. Thus, they said, to raise prices by 3.5 percent simply means that profit margins will go up.

If the steel industry's often expressed fear of foreign competition is rooted in fact, a price increase would seem to be the wrong move, the union sources believe.

There was no indication that the union leaders felt aggrieved by the increase. "It was a good settlement and a bad price increase," one union source said.

[From the New York Times, Apr. 11, 1962]

WALL STREET SURPRISED—SOME DOUBT RISE CAN RESIST COMPETITION FROM ABROAD

(By Robert Metz)

The United States Steel Corp.'s price increase caught some steel company executives by surprise last night, and Wall Street analysts expressed disbelief and questioned whether the company could make the rise stick.

A spokesman for one major company, who would not be identified, said, "Frankly, I was surprised."

William A. Steele, president of the Wheeling Steel Co., the country's 11th largest producer, said that the rise was long overdue. However, he said that the situation would require some study before he could say what his company might do.

Meanwhile, a metals market analyst in Wall Street said that he could not believe the news and was confident that the combined factors of administration pressure and foreign competition would force the price back to the previous level.

One steel company executive took the position that increased prices could be made to stick. "We have a reasonable market. It's not good, but the rising costs we face are faced by other competitive materials."

Unlike one other analyst who expected a shot in the arm for the ailing stock market, this analyst said the market would need much more than that for any significant recovery.

The other analyst in the nonferrous metals field said that he thought the market would rise as the price rise was inflationary. He added that the price differential was not sufficiently large in his opinion to cause metal users to shift to competitive metals such as aluminum.

The other companies could not be reached for comment. Bethlehem Steel Corp. executives were returning home after a stockholders' meeting in Wilmington, Del. At the meeting, the president, Edmund F. Martin, said there should not be any price rise even after the new labor contract goes into effect on July 1.

He went on: "We should not do anything to increase our costs if we are to survive. We have more competition both domestically and from foreign firms. And we need to sell more steel."

[From the New York Times, Apr. 11, 1962]

PITTSBURGH, April 10.—The United States Steel Corp. announced tonight an average increase of $6 a ton, effective at midnight. Five days ago it signed an administration-backed labor contract that by-passed a wage increase the first year and was termed noninflationary by President Kennedy.

The other members of the "Big 11" steel companies were expected to announce price increases soon.

United States Steel, the Nation's No. 1 producer, termed the increase a catch-up adjustment amounting to about three-tenths of a cent a pound. It was the first rise by the company since 1958.

The company was the first in basic steel to sign a new 2-year contract with the United Steelworkers of America. The other members of the "Big 11" quickly fell into line and signed.

THREE DIVISIONS AFFECTED

United States Steel said the increase would affect all its principal products, as well as those of its three operating divisions—American Steel & Wire, National Tube, and Tennessee Coal & Iron.

A company spokesman said semifinished forging quality carbon steel would be increased an average of $6 a ton to $104. Semifinished rerolling quality carbon would also be increased by that amount to $83.50, and carbon steel tube rounds to $127.50.

Leslie B. Worthington, company president, said that since 1958 "the level of steel prices has not been increased, but "if anything, has declined somewhat." He added:

"This situation, in the face of steadily mounting production costs, which have included four increases in steelworker wages and benefits prior to the end of last year,

has been due to competitive pressures from domestic producers and from imports of foreign-made steel.

"Nevertheless, taking into account all the competitive factors affecting the market for steel, we have reluctantly concluded that a modest price adjustment can no longer be avoided in the light of the production cost increases that have made it necessary."

The increases affect the company's carbon-steel products, tin-mill products, wire and wire products, pipe and tubular products, and stainless steel.

The labor contract includes a wage-opener clause in the second year. It is estimated that it will cost the industry 10 cents an hour a man.

"If the products of United States Steel are to compete successfully in the marketplace, then the plants and facilities which make those products must be as modern and efficient as the low-cost mills which abound abroad, and as the plants which turn out competing products here at home," Mr. Worthington said.

"Only by generating the funds necessary to keep these facilities fully competitive can our company continue to provide its customers with a dependable source of steel and to provide its employees with dependable jobs.

"But the profits of the company, squeezed as they have been between rising costs and declining prices, are inadequate today to perform this vital function."

[From the New York Times, Apr. 11, 1962]

INDUSTRY JUBILANT

PITTSBURGH, April 10.—There was apparent jubilation among steel executives tonight over the unexpected announcement of United States Steel's price increase.

The action appeared to have taken other producers by surprise, although many had been reported considering such a step in view of the recent wage settlement.

Steel authorities estimated that the settlement would cost the industry $150 million, despite statements by President Kennedy and Labor Secretary Arthur J. Goldberg that it was noninflationary and would not necessitate a price increase.

David J. McDonald, head of the United Steelworkers, was unavailable for comment. Other union officials declined to issue statements.

A spokesman for the Jones & Laughlin Steel Corp., the Nation's fourth largest producer, said the company would have to study the new United States Steel price schedule before commenting.

The Pittsburgh Steel Co., one of the largest independents, said it would likely comment tomorrow. A company official observed that a price increase had been overdue, not necessarily because of the new settlement, he added, but because there had been no compensating increase to offset the 40 cents an hour cost of the 30-month labor contract arrived at in January 1960.

A spokesman for Allegheny-Ludlum, producer of specialty steel, declined to comment. He noted that the company would not start negotiating for a new union agreement until May 1.

[From the New York Times, Apr. 11, 1962]

TEXT OF UNITED STATES STEEL'S STATEMENT ON PRICES

Since our last overall adjustment in the summer of 1958, the level of steel prices has not been increased but, if anything has declined somewhat. This situation, in the face of steadily mounting production costs which have included four increases in steelworker wages and benefits prior to the end of last year, has been due to the competitive pressures from domestic producers and from imports of foreign-made steel as well as from other materials which are used as substitutes for steel.

The severity of these competitive pressures has not diminished; and to their influence may be attributed the fact that the partial catch-up adjustment announced today is substantially less than the cost increases which have already occurred since 1958, without taking into consideration the additional costs which will result from the new labor agreements which become effective next July 1.

Nevertheless, taking into account all the competitive factors affecting the market for steel, we have reluctantly concluded that a modest price adjustment can no longer be avoided in the light of the production cost increases that have made it necessary.

MODERN PLANT NEEDED

If the products of United States Steel are to compete successfully in the marketplace, then the plants and facilities which make those products must be as modern and efficient as the low-cost mills which abound abroad and as the plants which turn out competing products here at home. Only by generating the funds necessary to keep these facilities fully competitive can our company continue to provide its customers with a dependable source of steel, and to provide its employees with dependable jobs. But the profits of the company—squeezed as they have been between rising costs and declining prices—are inadequate today to perform this vital function.

Our annual report, published last month, shows clearly the effect of this squeeze.

In 3 years since the end of 1958, United States Steel has spent $1,185 million for modernization and replacement of facilities and for the development of new sources of raw materials. Internally, there were only two sources from which this money could come: depreciation and reinvested profit. Depreciation in these years amounted to $610 million; and reinvested profit, $187 million—or, together, only about two-thirds of the total sum required. So after using all the income available from operations, we had to make up the difference of $388 million out of borrowings from the public. In fact, during the period 1958–61, we have actually borrowed a total of $800 million to provide for present and future needs. And this must be repaid out of profits that have not yet been earned, and will not be earned for some years to come.

During these 3 years, moreover, United States Steel's profits have dropped to the lowest levels since 1952; while reinvested profit—which is all the profit there is to be plowed back in the business after payment of dividends—has declined from $115 million in 1958 to less than $3 million last year. Yet the dividend rate has not been increased in more than 5 years, although there have been seven general increases in employment costs during this interval.

RISING COSTS CITED

This squeeze, which has thus dried up a major source of the funds necessary to improve the competitive efficiency of our plants and facilities, has resulted inevitably from the continual rise in costs over a period of almost 4 years, with no offsetting improvement in prices.

Since the last general price adjustment in 1958, there have been a number of increases in the cost of products and services purchased by the corporation, in State and local taxes, and in other expenses, including interest on the money we have had to borrow—an item which has jumped from $11,500,000 in 1958 to nearly $30 million in 1961.

And from 1958 through 1961, there have been industrywide increases in steelworker wages and benefits on four occasions amounting to about 40 cents an hour, and also increases in employment costs for other employees. These persistent increases have added several hundred million dollars to the employment costs of United States Steel, without regard to future costs resulting from the new labor agreement just negotiated.

In all, we have experienced a net increase of about 6 percent in our costs over this period despite cost reductions which have been effected through the use of new, more efficient facilities, improved techniques and better raw materials. Compared with this net increase of 6 percent, the price increase of 3½ percent announced today clearly falls considerably short of the amount needed to restore even the cost-price relationship in the low production year of 1958.

ADDS TO COMPETITION

In reaching this conclusion, we have given full consideration, of course, to the fact that any price increase which comes, as this does, at a time when foreign-made steels are already underselling ours in a number of product lines, will add—temporarily, at least—to the competitive difficulties which we are now experiencing. But the present price level cannot be maintained any longer when our problems are viewed in long-range perspective. For the long pull a strong, profitable company is the only insurance that formidable competition can be met and that the necessary lower costs to meet that competition will be assured.

Only through profits can a company improve its competitive potential through better equipment and through expanded research. On this latter phase we are constantly developing lighter, stronger steels which—ton for ton—will do more work and go much farther than the steels that were previously available on the market. They thus give the customer considerably more value per dollar of cost. As more and more of these new steels come from our laboratories, therefore, our ability to compete should steadily improve. But the development of new steels can only be supported by profits or the hope of profits.

The financial resources supporting continuous research and resultant new products as well as those supporting new equipment, are therefore vital in this competitive situation—vital not alone to the company and its employees, but to our international balance of payments, the value of our dollar, and to the strength and security of the Nation as well.

THE CRISIS IN CIVIL AIR TRANSPORTATION

Mr. MORSE. Mr. President, I should like to discuss the present crisis in civil air transportation. We are apparently coming to the threshold of total monopoly. What can be done is a matter for discussion, but first I should like to present the relevant facts relating to the plight of the supplemental air carriers. These are the carriers which can provide vital and stimulating competition to the major airlines at many points throughout the Nation.

The question of a proper place for the supplemental carriers has been one which has been before the Congress for a long time, and is now the subject of legislation in the Aviation Subcommittee of the Senate Interstate and Foreign Commerce Committee under the able leadership of the Senator from Oklahoma [Mr. MONRONEY]. They have written a bill, S. 1969; the Senate version if retained in its entirety has considerable merit; the House version (H.R. 7318) would impose economic starvation on the independent airlines. As the Senate and House conferees resume their deliberations on this legislation it is devoutly to be hoped that the Senate

version may be retained. But there is a much broader issue here than that covered by S. 1969. It is the issue of the elimination of competition and the concentration of economic power in the airline industry.

Mr. President, I want to make it amply clear that I am not making a case for those whose sole purpose is exploiting the public and those who have been characterized as "fly by night operators." We are not interested in them. We are interested and deeply concerned with those carriers who have made an earnest and conscientious effort to provide sound public service and who have established a record in safety and in service which in many ways excels that of the grandfather carriers.

It is not the purpose of the Senator from Oregon to speak for or against any particular carrier. I am not concerned with a particular aviation organization or corporation. I am concerned with the special role which the independents play and with the need for competitive factors.

We have the picture of the aviation industry arriving at a state of total monopoly, coming to this state through the machinations of the major trunk carriers. A pliant Civil Aeronautics Board has historically responded to their bidding, and has functioned as their protector and devout champion over the years. While this does not characterize the present Board, its predecessors hold a large measure of responsibility—the record is full of their mistakes of commission and omission. It seems that the present CAB majority must struggle with a series of problems which it has inherited, plus a lack of confidence which predecessors have transmitted to the present agency.

This is an industry which is less than 25 years old in its organized form—the Civil Aeronautics Act was only passed in 1938.

And it is this which most gravely concerns me—that we may be witnessing the last act in the closing of the sky to free enterprise, and the unconditional surrender of the airways to certain gigantic corporate combinations, who exert their economic power through the magnitude of loans to the airlines and through interlocking directorates between the lenders and the operating companies.

What are the stakes involved should these independents be banished, either by punitive legislation, or by economic regulations contrived to do what the distinguished chairman of the Small Business Committee, the Senator from Alabama [Mr. SPARKMAN], once described as "strangulation by regulation?" See CONGRESSIONAL RECORD, June 25, 1958.

Should these supplemental carriers be eliminated, or starved to death, damage will be done to five significant areas. First, to our military security; second, to the consumer, the traveling public; third, to the major airlines; fourth, to the small businessmen who own, operate and even sometimes fly these planes; and fifth, to our overall system of free enterprise and public morality.

On the question of national security; I wrote to Mr. Theodore Hardeen, Jr., the Administrator of the Defense Air Transportation Administration, asking him exactly what the role of the supplemental carriers was in relation to the Civil Reserve Air Fleet. I quote from Mr. Hardeen's reply:

> The supplemental air carriers, including former nonscheduled carriers now certificated as cargo airlines, have 96 cargo aircraft allocated to the current CRAF, or 62 percent of the total of 156 cargo aircraft in the allocation. In terms of airlift capability, these 96 aircraft represent 62 percent of the allocated cargo capability. The remaining 60 cargo aircraft allocated, representing 38 percent of the capability, are allocated from carriers which have always been in the scheduled category. The passenger requirements for CRAF are being currently met 100 percent by scheduled carriers. (Letter of Mar. 16, 1962, addressed by Theodore Hardeen, Jr., to Senator MORSE.)

It is one of the brightest memories in the history of all aviation to recall what these independent and nonsubsidized airlines did at the time of the Berlin and Korean airlifts. They were still a very young group at the time of the Berlin airlift. They borrowed money to acquire equipment, and carried over 25 percent of the commercial tonnage into that beleaguered city, flying right alongside the American and allied military craft. In Korea they carried over 50 percent of the commercial cargo. They not only comprised a potent airlift, they were ready to do the job and did it well.

These strategic situations, occurring in the postwar world, proved the necessity for a speedy means of delivering cargo and personnel to a great distance. John F. Kennedy, then a Congressman, introduced his air merchant marine bill in 1949 to authorize an adequate airlift and stimulate the development of aircraft suitable for heavy transport missions. His proposals and other plans to fill the logistical gap in air capacity were opposed by the major airlines on the grounds that such programs would constitute an unnecessary intrusion into the field of private enterprise.

Perhaps one of the private objections stemmed from the fact that the independent competitors had penetrated the military procurement field, providing one of the greatest bargains to the military at 2.7 cents per passenger mile, and bringing prices in line with costs.

Instead of an air merchant marine bill, Mr. James H. Douglas, an official of American Airlines, came up with the CRAF plan whereby carriers could qualify their commercial aircraft for emergency military service. It is of interest to note that at the present time, however, Mr. Douglas' own American Airlines has no planes at the disposal of CRAF, whereas the all-cargo and the supplemental carriers presently supply 62 percent of the CRAF capability for cargo airlift.

Eliminate these supplementals and you break the backbone of the CRAF cargo reserve. One wonders if equipment used on champagne flights would be ready and the pilots suitable should we need expanded airlift to Vietnam, or any other distant spot. The Lebanon experience was a poor one for airlift; and since then, and during the sheltered years following, the big airlines have put on a lot of weight that is not muscle.

The second consideration, is low-cost air transportation. During the fifties when the so-called nonskeds were flourishing in general passenger transportation, the major airlines were forced to provide coach service and reduce their fares. The consequence was astounding. The major carriers, instead of suffering financially, as they predicted, turned around and became healthy, and were weaned away from subsidy.

Then what happened? In 1957 the CAB finally grounded Trans-American Airlines, the largest and most successful of the pioneer independents. The charge was violation of the CAB's economic regulations. These regulations were an attempt to eliminate, very effectively, the independent competitors by a procedure which, according to the CAB's once-secret Goodkind memorandum, would "not lay the Board open to criticism of stamping out, without due process, these carriers."

The apparent reason for eliminating Trans-American was noted by Senator SPARKMAN at the time: they had flown too many people too economically, too frequently, with perfect safety, without any subsidy, and had made money at the time when the subsidized grandfathers were losing money. It had diverted no passengers, it had helped open new markets and pioneered profitable innovations for the industry, but it had committed the most unpardonable crime—it had embarrassed the autocrats of the sky. For this it had to be destroyed. This was the pattern which Senator SPARKMAN recounted to the Senate on June 25, 1958:

> As each of the new, veteran-owned postwar independent carriers grew and flourished in the new coach market which they pioneered, it was systematically grounded by CAB edict. The carriers were charged with violations of special regulations devised, as our committee revealed, as a checkrein on their existence. These economic regulations were so ingenious that compliance was economically unfeasible, and defiance legally impossible. Our committee repeatedly warned that this CAB policy of strangulation by regulation would ultimately have dire consequences. We felt that the industry, the traveling public, and the Government would ultimately pay dearly for the restrictive policies which had become CAB doctrine. The courts could not go into the economic doctrines, but merely the procedural questions, and here they found the CAB had used a clean knife.
>
> When the oldest and strongest of the large irregular carriers, Trans-American Airlines, was grounded on June 6, 1957, after an extended battle with the Board, and in the courts—manifestly guilty in the words of the CAB, of flying too frequently and too regularly—it was not hard to calculate the chain reaction which would ensue.

Of course, the grounding of Trans-American was followed by a general fare increase by the major carriers—up 30 percent since 1958.

I have always held the junior Senator from Alabama in high regard, but I never quite appreciated his gift for economic prophecy, bordering on second sight. In

the same address, Senator SPARKMAN stated:

As fares go up, public utilization will go down. Newly won air passengers attracted by genuine economy of time and money will revert to surface transportation, and in many instances there will be less travel. Thus the air carriers will soon be faced with a shrinking passenger market of their own making at the very time when they have bigger aircraft, more expensive aircraft, and more aircraft than ever before.

Here we have a very accurate portrayal of what the aviation industry is up against today, and I will demonstrate later in this analysis that the proportion of the public using the airways diminished at the time when the technology and economic feasibility of air transportation has greatly increased.

So, one must conclude that one of the most tangible values which is at stake is the need for some independent economic yardstick in aviation which will serve the interest of the consumer, the general public, which is a basic interest to be served by the entire system. It is the general public which loses most when you eliminate the critical competitive element, however small that element may be, and which provides the only yardstick in setting the rates.

As a third consideration, one of the values which has become obscured is the direct usefulness to the major airlines themselves of continued independent competition.

The lessening of this competition does not breed health. Air transportation must be sold. The independent competitor has helped to sell it, has helped to create the market. He has innovated, offered tours, opened up Miami for the off-season period, advertised the idea of traveling to places formerly too expensive to visit, introduced credit concepts in air transportation—"fly now, pay later." The independent has also drawn its customers from the 80 percent of the population which has never flown before. These are the passengers who, once started flying, become part of the permanent market for the grandfather carriers too. The record amply demonstrates that where you have had competition from the independent operator, things have been stirred up and made profitable—remove that competition and eliminate competition through mergers and exclusive franchises and you have stagnation.

A final service which the independents perform to the major carriers is that they have, until now, purchased the conventional piston equipment used by the big airlines which have converted to jets. If you eliminate the independent, the aviation industry will find itself surfeited with DC-6's and DC-7's, which normally should go into low-cost coach service. Being so much slower than the jet, they constitute no diversionary threat to the first-class market. They are in the nature of flying buses. But obviously the shortsighted plan is to remove these aircraft from service to the American traveling public. What irony. Were these planes available to the coach carriers, they would serve to stimulate new air travelers from that four-fifths of our population which has never before flown commercially.

The list of reasons is long. Suffice it to say that nobody will lose more and be more deprived by the elimination of the independent air carrier from passenger transportation than the monopoly-minded large carriers themselves.

A fourth consideration which is involved is clearly that of the operators of these supplementals. These men were invited into the air transport business by the U.S. Government. They, of course, wanted the opportunity to participate, but it was the Government which invited them, paved the way, and made available equipment at minimal cost after the war. Since then these men have enterprised and developed some of the most valuable economic innovations in air transport—notably air-coach and airfreight. Additionally, they have built up a reservoir of maintenance and pilot training, and they continue to give valuable, experience-generating employment to mechanics and pilots who would be readily available to this country in the event of a national emergency. And this type of experience, no matter how "crash" a program it might be, cannot be acquired overnight, at the time when it is most needed.

These independent operators have worked for more than 15 years. They have never received one cent of subsidy. Their lot has been made difficult by the constant campaign on the part of the major airlines to strangle them. They have been promised status by the Congress and by the Board, and they have risked everything on their faith that the sky is not permanently closed to all but a chosen few. Yet, not one of these enterprises has ever received a common carriage certificate on any domestic trunk route.

Now, what we must be careful of today is that if these pioneers are prevented from offering their services to the public, we are not only doing them an injustice, but we are establishing, across the board, the grave precedent, that no man will ever be able to enter the air transportation business—unless he should inherit or acquire the controlling interest in one of the super airlines. Does your son want to go into the airline business? Well, have him work his way up through a Wall Street syndicate. That is a fine conclusion to the American dream.

There is also a fifth consideration which is being tested here. It is an intangible, true, but perhaps the most important consideration of all. It is the question of whether wrongdoing is being ignored by the Government itself, in a way which is "all the more insidious because it has been mantled with the sanctity of legality"—quoted from annual report of Senate Committee on Small Business, 1952, at page 243.

What has happened to air transportation—and is about to happen—is no obscure secret. We have been watching the progress of creeping monopoly in the air; the economic schemers have proceeded with their long-range conspiracy in full view. It has been discussed, and exposed by several factfinding bodies as well as by impartial and objective academic studies. But the scheme proceeds and the legal and regulatory agencies of the Government interpose no objection. Is it because the scheme is too grandiose for anyone to take it seriously, any more than one would be alarmed over a tourist preparing to remove the Capitol dome?

The plan to exterminate the independent enterprisers in air transportation, has been revealed in Government documents. The Goodkind memorandum—the blueprint for what was to be "a final solution" for the independents—was discovered and denounced by Senator SPARKMAN before the Senate Small Business Committee in 1953—pages 128–129, hearings, Select Committee on Small Business, 83d Congress, May 4, 1953. Mr. Goodkind was not the man who made the policy. He was merely the technician, the CAB expert who designed the administrative trap whereby the small carriers would be knocked out for failure to comply with so-called technical economic regulations. To comply was virtually impossible economically. To defy was certain death for violation of the regulations.

No words of mine, Mr. President, can more adequately describe the carefully devised nature of the plan devised than do that memorandum's very own words. I quote:

The staff is therefore generally agreed as to the desirability of finding means of bringing this phase of air transportation under more positive control within the near future.

It is believed this could be effected by keying the duration of their authority, i.e., letters of registration, to Board action on either (1) the carriers' pending certificate applications under 401 or (2) their pending applications for special exemption under 416. Depending on which procedure was adopted, the appropriate application could be required to be filed within specified time limits. Either procedure has the advantage of affording a means for ultimately terminating the operations of this group of carriers.

Our experience to date convinces us that, with few exceptions, it is necessary for carriers operating large aircraft to routinize their operations; that a fixed base operation of the type which we believe section 292.1 was originally intended to cover is not generally feasible for them, but they must more and more confine their operations between certain points to build up a clientele and insure themselves of adequate load factors and a balanced directional flow. The need for route operations by large carriers is further emphasized by purely operational factors—that is, considerations of maintenance, overhaul, fueling, crew change, etc. It is in the latter respect that the analogy between irregular carriers and tramp steamers breaks down, for it is necessary in the case of the former to make careful provision for their frequent overhauls and maintenance checks, crew changes, etc. Generally speaking, this cannot be successfully accomplished economically except on route operations.

Once a carrier is involved in route operations it is encroaching on the field which the act is believed to have reserved to certificated carriers and is no longer providing the casual, unpredictable call and demand service which 292.1 was designed to accommodate and which the certificated carriers are not particularly well adapted to handle. It is instead catering to a more or less steady, predictable, and measurable public demand and should be subect to the requirements of section 401 of the act. Furthermore, we do not believe it necessary to enlarge on the fact that the determination of what constitutes regularity has been and undoubtedly always will be an extremely difficult

problem and possibly not susceptible of satisfactory solution.

It is conceded that there are certain limited and special services which can be conducted by large aircraft on a truly nonscheduled, irregular basis. These are the true fixed base operations such as conducted by Paul Nantz in carrying movie crews to and from location. It is believed unwise, however, to keep the door open to such few operators and thus provide entry for a host of undesirables.

A second reason in favor of either proposal is that it should not lay the Board open to criticism of stamping out, without due process, these carriers which they have permitted to come into being. If, after consideration of either a 401 or a 416 application, the Board determines that it cannot make the statutory findings to permit authorization of the proposed service, it is difficult to see how the carrier or the public at large could expect the Board to perpetuate the service; accordingly, termination of such carriers' letters of registration would appear a natural and fair conclusion.

Mr. President, Congress intervened, and thanks to the vigorous leadership of the Senate Small Business Committee, under the chairmanship of Senator SPARKMAN and later of Senator Thye, the fair conclusion for the independent carriers was deferred. The House Antitrust Subcommittee was also disturbed and made its weight felt. The Board undertook a proceeding, known as docket No. 5132, to discover a proper role for these carriers, who were then flying on temporary authority which limited them drastically. This proceeding lasted for 7 years. It was trial by attrition—the application of the doctrine of exhaustion of litigants—during which time these carriers had only twilight status. They were obliged to obtain new equipment by borrowing at wild interest rates, because they were without tenure or permanent license.

At that time the major carriers were completely disdainful of the possibility of flying cargo commercially. Some of the independents were granted the right to fly freight, notably the Flying Tigers, Seaboard & Western, and Slick Airlines, but they were strictly prohibited from common carriage passenger service. Those independents who applied for certificates to fly transcontinental air coach, a type of service which at that time only they were providing, met bitter opposition. The CAB issued its negative decision in the Transcontinental Coach case, denying the applications on the ground that the major airlines had the right of first refusal, even though they were not providing this service themselves. It was at this time that Joseph P. Adams, then a CAB member, filed one of his most memorable dissents, arguing that the market should first go to those who had developed it. But General Adams was rebuffed by the doctrine that a sort of divine right to the sky belonged to the major carriers—a right to provide or to withhold service, depending on their pleasure rather than the public need and convenience.

The independents were obliged to eke out their existence largely on military contract service, where there were no fixed tariffs and carriers bid against one another sometimes for a single trip. Competition was so rough that the price for flying a military passenger across the Atlantic sometimes dropped below $70.

It is amazing, but about two dozen carriers survived during the 7 years that the CAB was considering docket 5132. What finally emerged was an awkward solution—the right to provide supplemental service on the basis of 10 trips monthly between 2 points and the right to fly charters of organized groups. One can imagine the difficulty involved in trying to advertise a 10-trip per month schedule, or trying to find a steady market among ethnic, religious, social, or economic groups who wanted to charter a large airplane. Nevertheless, the public hunger for economical service was such that these carriers managed to sustain themselves and hold their organizations together in the face of rising costs.

We are now at the closing phase of what was to be the "final solution" for the independent airline industry. Nobody was expected to survive the trials of endurance, administrative attrition, or strangulation by regulation. But some have survived, and their fate now rests with the Congress, since the courts found that the Civil Aeronautics Act did not authorize the limited supplemental certificates which the CAB granted. Therefore, we now have the legislation, S. 1969, which is presently in conference with the House. The importance of sustaining the Senate's version intact cannot be doubted. Any reduction in the strength of the independents at this time will accelerate the plans for a total monopoly in air transportation.

Today the major airlines are proclaiming that they are in financial trouble, or so they say. Does this trouble come from their having exhausted the market at too low a price? Have they been scraping the barrel and, therefore, been unable to make ends meet? The very opposite appears to be the case.

They have not been scraping the barrel, but rather skimming the cream, operating a high-priced luxury service for a limited market, a shrinking market. For instance, in U.S. News & World Report of February 19, there appears an interview with the president of American Airlines, Mr. C. R. Smith. He was asked about the present rate of growth of the number of people who fly. He replied:

> Growth was about 1 percent last year.

That is about half the rate of growth of the population. But now we come to a more significant and damaging revelation. The question was posed:

> What percentage of the population in this country travels by air?
>
> Answer. The number of people who have taken a trip in a year would be somewhere in the neighborhood of around 10 percent of the population. But the number of people who make up the bulk of the air-traveling population is much smaller than that.

Further Mr. Smith says

> Now, when you get through analyzing what they (the public) are really talking about, they're thinking of transportation at around 1½ to 2 cents a passenger-mile, which is about 65 percent of what it costs to go on a bus. If you can't sell air transportation competitively on the basis of 2 cents a passenger-mile, you don't have much chance of getting those people.
>
> Question. How much is air travel per mile, at present fares?
>
> Answer. It averaged to about 6 cents per mile last year. In general, the longer the distance the lower the price per mile.
>
> Question. Are businessmen your principal customers?
>
> Answer. Oh, yes, they always have been. In our own company, business travel is fairly close to two-thirds of our passenger travel.

In a recent study—"Airline Market Research Over a Decade"; excerpts from studies by Robert A. Peattie, Jr., director, marketing research and development, American Airlines, Inc.—Mr. Smith's salient facts were sharpened by these findings:

> Over half the U.S. population doesn't travel at all. Of the total U.S. population 78 percent has never flown in a commercial airline.

About 8 million people constitute the air traveling public. Of this number, only 15 percent, 1,200,000, fly with some frequency, providing the real base for the aviation market. They account for 64 percent of the air trips.

I quote from the Peattie report:

> The current air travel market is primarily a business market, with a high proportion of executives, professional and technical people in above-average income groups. Half of them have an income of over $10,000 per year. Eighty-six percent of their travel is expense-account travel.

In other words, we are apparently maintaining this air transportation system for the benefit of the traveling businessman who writes off 52 percent of ticket cost as a business expense. What Mr. Smith is describing is an elaborate and luxurious service being nourished by subsidy for the purpose of serving the elite, and it is losing money. It is as if the Department of Agriculture developed its entire program and disbursed its multimillion-dollar subsidies to promote the orchid industry.

This recalls the Senate Interstate Commerce Investigation into the airline industry in the 81st Congress when American Airlines testified:

> We do not believe we can presently engage in coach service * * * without consequent loss.

And United Airlines chimed in:

> We just cannot afford to take the chance in aircoach.

These carriers were then before Congress pleading for subsidy, and were fighting against the suggestion that they adopt aircoach to fill empty seats. The nonscheduled carriers, then running profitable operations, testified that what these carriers needed was not subsidy, but passengers.

One often hears the question, why do the big carriers deliberately price themselves out of the market? Why do they court deficits rather than profits? I do not know the answer, except that it seems to be one of the psychological quirks of the monopoly mind to obtain a scarcity, to seek a low-productivity situation, and to rely on spiraling prices and higher rates to save them. They may sincerely believe that each rate increase will dig them out of losses. I

can no more explain this thinking than I can explain the lemmings' flight to the sea.

Last week, on March 23, under the able chairmanship of Representative CELLER, Antitrust Subcommittee No. 5 of the House Judiciary Committee published a staff study on the proposed merger of Eastern and American Airlines.

This study raises some very vital questions, not the least of which is the obvious one that "if a combination of such size and power to be approved, how can the Board refuse other airlines the right to consolidate in order to meet this vast proposed combine as best they can?"

How long before the 10 grandfather carriers will be reduced further? Is there truth to the rumor that ultimately we will have four surviving carriers, each dominating a special geographic preserve? Of course, should this come to pass they will all be serving the luxury market.

And to what extent is this merger and monopoly being promoted by the financial backers of the big airlines, since, in the words of the House study:

> The advent of the jet age has caused the airlines to become heavily indebted to a relatively small number of major lenders.
>
> The magnitude of the loans involved, the restrictions customarily contained in the loan agreements, and their holdings of convertible debentures combine to give these major lenders the power to influence the destinies of the airlines. Interlocking directorates and other close relationships between the lenders and the airlines provide an opportunity for the lenders to exercise their influence. Indeed, persons closely related to the lenders acted for American and Eastern in suggesting and negotiating the merger now proposed.

Mr. President, I shall not attempt to prove a conspiracy to establish a monopoly. All one can do, without a full investigation, is to relate the facts, the coincidences, the interlocking personalities and relationships. We know that there was a plan to exterminate the independent competitors. The great majority of these independents have been exterminated. We know that the Nation's second and fourth largest domestic route carriers, American and Eastern are seeking merger. There are also moves for further fare increases. Already we can hear what the columnist, Mr. William Shannon, calls the "oink and grunt of private hoggishness" emitting from the sky.

The neat sequence falls into place like a row of dominoes. The scheduled carriers first eliminate the independent competitor. Then they push for mergers. Without competition in their respective route areas, these carriers will operate in the classic monopoly pattern: high rates, few passengers, high unit costs. They will serve primarily the 1.2 million travelers who fly regardless of cost—86 percent of these travelers are businessmen on expense accounts, according to American Airlines' own survey, so the Government ends up paying 52 percent of their travel costs.

And now comes the little extra kicker, the bonus that goes to the winner above his winnings. This appears to be a plan to dispose of the propeller aircraft once the major airlines complete their jet conversion. Normally they have been disposing of much of this conventional valuable equipment by selling them to the supplementals. But with the supplementals virtually out of business the plan calls for the sale of this equipment abroad to the underdeveloped countries, with our own Government financing 90 percent of the cost. Thus, these planes will be taken to distant lands where they are no longer of potential use to our domestic passenger service within the United States, or for the airlift reserve fleet. Credit for these transactions will be supplied by the Treasury. And the monopoly carriers will congratulate themselves on their daring in taking such risks.

Somewhere in the GAO there must be an accountant who would relish in the exercise of figuring out how many times the Government has paid for the same aircraft, paid out to these rugged champions of free enterprise, who have always been true to the three S's of monopoly aviation: Subsidy, scarcity, and shelter — shelter from any competition, even shelter from any criticism, because these big airlines are sensitive to suggestions that they are motivated by anything but pure altruism.

I must mention subsidy, because, while the grandfather carriers are presently not on direct subsidy—unless you regard exaggerated mail pay and the fact that they cater so much to expense account travelers as subsidy—I predict they will be back before Congress, a year after the supplemental carriers are destroyed, crying for subsidy "in the national interest."

This is the story. It is not just the fate of the small business operator in aviation that is involved. There is the national security reason, the need for a consequential and reliable civilian air reserve—CRAF—there is the traveling public which must be protected from monopoly prices, there are the major air carriers who must be kept solvent in the interest of serving the general public which they presently ignore, and there is the question of our American system of laws and public morality.

What was once set out in a blueprint and what has been taking place before our eyes coincides. Only the appropriate committees of the Congress can piece together all of the steps, identify cause with effect, and determine if everything that has been happening to the small airlines is pure coincidence, innocent competition, or an ingenious, bold, and dangerous attempt to corner the sky.

I, therefore, hope that the appropriate congressional committees, and most particularly the Senate and House Antitrust and Monopoly Subcommittees, will conduct a full probe of monopoly in air transportation, including, of course, a thorough examination of the role of all regulatory agencies involved, and the role of the military procurement agencies as well.

I also hope that such inquiry may begin without delay and, that in the meantime the Congress will make no final determination regarding the supplemental carriers and their future, other than steps to tighten safety. There is nothing deader than a dead small business, and we must be very certain that we in no way legislate in such a way as to foreclose future entry to the sky. The issue is not whether it be these 20-odd carriers specifically who fly, but whether we sustain or reject the principle and the values inherent in some measure of free enterprise in the American aviation industry.

AUTHORIZATION FOR APPROPRIATIONS FOR ARMED SERVICES, 1963

The Senate resumed the consideration of the bill (H.R. 9751) to authorize appropriations during fiscal year 1963 for aircraft, missiles, and naval vessels for armed services, and for other purposes.

Mr. RUSSELL. Mr. President, may we have the yeas and nays ordered on the passage of the pending bill?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the passage of the bill. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Utah [Mr. Moss] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Utah [Mr. Moss], and the Senator from New Mexico [Mr. CHAVEZ] would each vote "yea."

Mr. HICKENLOOPER. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Maryland [Mr. BEALL] is detained on official business.

Also, the Senator from Kansas [Mr. CARLSON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Iowa [Mr. MILLER] are necessarily absent.

If present and voting, the Senators from Maryland [Mr. BUTLER and Mr. BEALL], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from California [Mr. KUCHEL], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Kansas [Mr. CARLSON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Iowa [Mr. MILLER] would each vote "yea."

The result was announced—yeas 85, nays 0, as follows:

[No. 42 Leg.]

YEAS—85

Aiken	Anderson	Bennett
Allott	Bartlett	Bible

Boggs	Hill	Neuberger
Burdick	Holland	Pastore
Bush	Hruska	Pearson
Byrd, Va.	Humphrey	Pell
Byrd, W. Va.	Jackson	Prouty
Cannon	Javits	Proxmire
Carroll	Jordan	Randolph
Case, N.J.	Keating	Robertson
Case, S. Dak.	Kefauver	Russell
Church	Kerr	Scott
Cooper	Lausche	Smathers
Curtis	Long, Mo.	Smith, Mass.
Dodd	Long, Hawaii	Smith, Maine
Douglas	Long, La.	Sparkman
Dworshak	Magnuson	Stennis
Eastland	Mansfield	Symington
Ellender	McCarthy	Talmadge
Engle	McClellan	Thurmond
Ervin	McGee	Tower
Fong	McNamara	Wiley
Gore	Metcalf	Williams, N.J.
Gruening	Monroney	Williams, Del.
Hart	Morse	Yarborough
Hartke	Morton	Young, N. Dak.
Hayden	Mundt	Young, Ohio
Hickenlooper	Murphy	
Hickey	Muskie	

NAYS—0

NOT VOTING—15

Beall	Clark	Saltonstall
Butler	Cotton	Johnston
Capehart	Dirksen	Kuchel
Carlson	Fulbright	Miller
Chavez	Goldwater	Moss

So the bill (H.R. 9751) was passed.

CONSIDERATION OF SUPPLEMENTAL APPROPRIATION BILL—LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President——

Mr. HOLLAND. Mr. President, will the Senator from Montana yield for a question?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Montana yield to the Senator from Florida?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. I beg to advise the distinguished majority leader that the Appropriations Committee has today reported the second supplemental appropriation bill. I am sure a great many Senators have an active interest in one or more of the items contained in the bill, and that therefore they would appreciate a definite setting of the time for the consideration by the Senate of the bill. Has the majority leader set such a time?

Mr. MANSFIELD. Yes. I may say to the distinguished senior Senator from Florida that, after contacting various interested parties, it has been decided to have the Senate consider the supplemental appropriation bill the coming Monday.

Let me also say, for the information of the Senate, that also today the Senate will consider some minor bills; and then the Peace Corps bill will be laid down and will be made the unfinished business.

On tomorrow, the Senate will proceed with the consideration of the Peace Corps bill. However, it is very likely that before the Senate begins the debate on that bill, Executive Calendar No. 5, Executive K, 87th Congress, 1st session, the International Convention for the Safety of Life at Sea, 1960, will also be brought before the Senate. So the Senate will take a vote on that treaty.

There may be, on tomorrow, a vote on the Peace Corps bill, although I do not know about that as yet.

Also, on tomorrow, at approximately 12:17, the Senate will leave in a body to join the other body in the Hall of the House of Representatives, to hear an address by the Shah of Iran.

That is about the program, as I now understand it.

Mr. HOLLAND. I thank the Senator from Montana; and I hope that all Senators who are interested in items in the supplemental appropriation bill will take note of the announcement just now made by the majority leader.

Mr. SYMINGTON. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. SYMINGTON. Mr. President, this country has very few friends who have worked with us as partners in the struggle against communism as long and as definitely as has Iran. I hope as many Members of the Senate as possible will pay their respects to the Shah tomorrow.

I thank the majority leader.

HOM HONG HING

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1227, House bill 3008.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 3008) for the relief of Hom Hong Hing, also known as Tommy Joe, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word "fee.", to strike out "Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1258), explaining the purpose of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant the status of permanent residence in the United States to Hom Hong Hing, also known as Tommy Joe. The bill provides for the payment of the required visa fee. The bill has been amended to remove the requirement that an appropriate quota number be deducted, inasmuch as the beneficiary is married according to Chinese custom to a U.S. citizen.

EXTENSION OF TIME FOR FILING REPORTS UNDER PUBLIC LAW 86–272

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1280, House bill 10043.

The motion was agreed to; and the bill (H.R. 10043) to amend Public Law 86–272, as amended, with respect to the reporting date, was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1316), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

STATEMENT

Public Law 86–272 precludes a State from imposing an income tax upon a business where the only activity within the State is either (1) soliciting orders within the State, or (2) using an independent contractor to make sales in the State. This statute also provides that the Committee on the Judiciary of the House of Representatives and the Committee on Finance of the U.S. Senate shall make full and complete studies of all matters pertaining to the taxation by the States of income derived within the States from the conduct of business activities in interstate commerce. The statute specifies that the committees shall report to their respective Houses on or before July 1, 1962.

After the enactment of Public Law 86–272, it was decided by the Committee on the Judiciary to delay commencement of the study until there had been an adequate opportunity to gain some experience with the operation of the substantive provisions of that statute. Consequently, the study was not begun until June 1961.

In the interim, problems arose relating to sales and use taxes similar to the State income tax problems which caused the enactment of Public Law 86–272. A number of bills were introduced, in both Houses, to impose restrictions on the power of the State to require the collection of use taxes. The complexity of the problems involved and the interrelationship of the various forms of State taxation led Congress to amend Public Law 86–272 in 1961, to broaden the scope of the study from State income taxation alone to taxation of interstate commerce by the States generally. However, although the study was thus greatly enlarged, the time allotted for its completion remained the same, July 1, 1962.

In view of the fact that work was not begun until June 1961, and in view of the broadened scope of the inquiry, the July 1, 1962, reporting date will not allow the committee adequate time for the thorough study which this matter requires. Accordingly, this bill would extend the time for the filing of the report from July 1, 1962, to July 1, 1963.

FREE ENTRY OF STEEL DONATED FOR CHIPPEWA COUNTY WAR MEMORIAL HOSPITAL

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1282, House bill 9778.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 9778) to provide for the free entry of certain steel and steel products donated for an addition to the Chippewa County War Memorial Hospital, Sault Ste. Marie, Mich., which had been reported from the Committee on Finance, with an amendment, on page 1, after line 8, to insert a new section, as follows:

SEC. 2. Section 201 of the Tariff Act of 1930, as amended (19 U.S.C. 1201), is

amended by adding at the end thereof the following new paragraph:

"PAR. 1827. Records, diagrams, and other data with regard to any business, engineering, or exploration operation conducted outside the United States, whether on paper, cards, photographs, blue prints, tapes, other media."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act to provide for the free entry of certain steel and steel products donated for an addition to the Chippewa County War Memorial Hospital, Sault Sainte Marie, Michigan, and to provide for the free entry of records, diagrams, and other data with regard to business, engineering, or exploration operations conducted outside the United States."

Mr. HART. Mr. President, I thank the leadership very much for calling up this bill. It is a singular demonstration of effective American-Canadian cooperation. The community affected, adjoining the Sault Ste. Marie locks, in Michigan, will be most grateful for the action of the Senate in passing the bill.

I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1318), explaining the purpose of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of H.R. 9778 is to authorize and direct the Secretary of the Treasury to admit free of import duties any steel and any steel products donated by the Algoma Steel Corp., Ltd., Sault Ste. Marie, Canada, and imported for use in the construction of an addition to the Chippewa County War Memorial Hospital, Sault Ste. Marie, Mich.

PURPOSE OF THE AMENDMENT

The amendment is designed to facilitate the customs clearance of data with regard to business, engineering, or exploration operations conducted outside the United States.

GENERAL STATEMENT

The Chippewa County War Memorial Hospital, located in Sault Ste. Marie, Mich., is a public, nonprofit hospital which serves the people of Sault Ste. Marie, Mich., and Sault Ste. Marie, Ontario, Canada. This hospital is building an addition to its existing facilities, and the funds for such addition are being raised by public subscription.

The Algoma Steel Corp., Ltd., of Sault Ste. Marie, Ontario, Canada, has undertaken to donate approximately 120 tons of high tensile strength structural steel for use in the construction of this addition to the hospital. Although this steel would be in the nature of a gift to the hospital and would be used in the same city, it would cross the border when delivered to the hospital site. The Finance Committee feels that, in this case, the steel should be entered free of duty and recommend that the bill as amended be passed.

The amendment would clarify a situation now causing extra work for the Bureau of the Customs and putting a burden on business firms with oversea branches. Data with regard to business, engineering, or exploration operations collected abroad and brought back to the United States for consideration by the executives of the firm may be subject to various rates of duty depending more on the type of material upon which the data are recorded than on the content or meaning. These records are not salable, their customs valuation is frequently in doubt, and delays and uncertainties are troublesome for business firms as well as for the Federal Government.

ALVIN R. BUSH DAM

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1283, House bill 6676.

The motion was agreed to; and the bill (H.R. 6676) to designate the Kettle Dam on Kettle Creek, Pa., as the Alvin R. Bush Dam was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1320), explaining the purpose of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of H.R. 6676 is to change the name of the Kettle Creek Dam on Kettle Creek, Susquehanna River basin, Pa., to the Alvin R. Bush Dam, and any law, regulation, map, document, record, or other paper of the United States in which such dam is referred to under any other name or designation shall be held to refer to such dam as the "Alvin R. Bush Dam."

GENERAL STATEMENT

The Kettle Creek Dam is under construction by the Corps of Engineers on Kettle Creek about 8.4 miles above its confluence with the West Branch of the Susquehanna River, and about 15 miles above Renovo, Clinton County, Pa. The project was authorized by the Flood Control Act of 1954, in accordance with the recommendations of the Chief of Engineers in House Document No. 29, 84th Congress, 1st session, as a unit of the comprehensive flood-control plan for the protection of communities in West Branch Susquehanna River Valley. Construction was initiated in May 1959 and is scheduled for completion in June 1962 at an estimated cost of $6,600,000.

The earth-fill dam will have a height of 165 feet above the streambed, a length of 1,350 feet, with controlled outlet works and uncontrolled spillway in the right abutment. The reservoir formed by construction of the dam will extend 8.8 miles upstream on Kettle Creek in Clinton County, have an area of 1,430 acres, and a storage capacity of 75,000 acre-feet at spillway crest. The reservoir will control the runoff from a drainage area of 226 square miles, or about 92 percent of the Kettle Creek watershed, with a storage capacity equal to 6.22 inches of runoff from the drainage area above the dam.

The project will reduce flood heights of Kettle Creek below the dam and of the West Branch below the mouth of Kettle Creek. Renovo, the first urban center downstream from the dam, will receive the major flood-control benefits from Kettle Creek Reservoir, but as a unit of the basin plan for West Branch of the Susquehanna River, the reservoir will aid materially in the reduction of the flood stages at all downstream points.

Hon. Alvin R. Bush ably served the State of Pennsylvania and the Nation in the U.S. House of Representatives from January 3, 1951, until his death on November 5, 1959, and as a member of the Committee on Public Works, was instrumental in securing the authorization of the project, and also in furthering the development of the water resources of the Nation.

It is understood that the bill has the support of interested groups and individuals in the area in which the dam is located.

PEACE CORPS ACT AMENDMENT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1288, Senate bill 2935, the Peace Corps Act amendment, so that the bill will be laid before the Senate and will be made the unfinished business.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2935) to amend the Peace Corps Act, which had been reported from the Committee on Foreign Relations, with an amendment, on page 2, after line 8, to insert a new subsection, as follows:

(c) At the end of the section add the following new subsection:

"(k) Not more than fifteen per centum of the total number of volunteers at the end of fiscal year 1963 and each fiscal year thereafter shall have been assigned to duty in any one country or area."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(b) of the Peace Corps Act, which authorizes appropriations to carry out the purposes of that Act, is amended by striking out "1962" and "$40,000,000" and substituting "1963" and "$63,750,000", respectively

SEC. 2. Section 5 of the Peace Corps Act, which relates to Peace Corps volunteers, is amended as follows:

(a) In subsection (b), insert the following sentence immediately after the first sentence: "Supplies or equipment provided volunteers may be transferred to the government or other entities of the country or area in which they have been serving, when no longer necessary for their maintenance or to insure their health or capacity to serve effectively, and when such transfers would further the purposes of this Act.'

(b) In subsection (h), strike out "and for the purposes of" immediately after "tort liability statute," and insert in lieu thereof "the Federal Voting Assistance Act of 1955 (5 U.S.C. 2171 et seq.), and".

(c) At the end of the section add the following new subsection:

"(k) Not more than fifteen per centum of the total number of volunteers at the end of fiscal year 1963 and each fiscal year thereafter shall have been assigned to duty in any one country or area."

SEC. 3. Section 7(b) of the Peace Corps Act, which relates to compensation of persons employed in the United States in activities authorized by that Act, is amended by striking out "so" in the first sentence thereof.

SEC. 4. Section 10(a)(2) of the Peace Corps Act, which relates to the assignment of volunteers to duty with international organizations and agencies, is amended by inserting "in fiscal year 1963, in addition to the number of assignments previously permitted," immediately after "shall be assigned" and by striking out "or volunteer leaders" immediately after "Peace Corps volunteers".

SEC. 5. Section 13(a) of the Peace Corps Act, which relates to the employment of experts and consultants, is amended by striking out "Peace Corps" and substituting "President".

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate

now proceed to the consideration of the nominations reported today from the Committee on the Judiciary.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and the nominations will be stated.

ASSOCIATE JUSTICE OF U.S. SUPREME COURT

The legislative clerk read the nomination of Byron R. White, of Colorado, to be an Associate Justice of the Supreme Court of the United States.

Mr. CARROLL. Mr. President, as a member of the Judiciary Committee, I was present at the committee meeting earlier today. I would say that with the exception of only one or two members of the committee, all the committee members were present at the hearing to consider the nomination of Byron R. White, of Colorado, to be an Associate Justice of the Supreme Court of the United States.

I have spoken about the hearing to some of the senior members of the committee; and I would say that undoubtedly the hearing was a remarkable one. No one appeared there in opposition to the nomination.

Mr. White's nomination has the endorsement of the American Bar Association, and its representatives have stated that Mr. White is exceptionally well qualified to serve in this position.

The nomination of Mr. White also has the support of the Colorado bar and of the Denver bar. In fact, favorable reports on the nomination have come from all over the Nation.

This is one of President Kennedy's most outstanding appointments.

Of course, we in Colorado are specially proud today because Byron White is a native son. We Coloradans who have known him for 20 to 25 years feel he is an outstanding lawyer with all the necessary wisdom, temperament, and intellect to one day make him one of the great Justices of the Supreme Court.

Byron White is completely dedicated to the study and practice of the law. Nothing has deterred him from this goal. From his college days to this day his life has been shaped and directed with an all-consuming devotion toward practicing law. Now we will have the benefit of this consummate devotion applied to the questions of law brought before the highest tribunal of justice in the land. This devotion, this wisdom, this habit of calm, hard, fair appraisal will serve this country well, when, in these difficult times so many monumental questions of law are laid before the highest court. Byron White will acquit himself well in these tests of wisdom, as he has done in everything he has done before. He will be one of our great Justices, and I say that Colorado, in years to come, will be even prouder than she is today.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. CARROLL. I am happy to yield to the Senator from Tennessee.

Mr. KEFAUVER. I join the Senator from Colorado in paying high tribute to the nomination of Byron White. I have long admired him and respected him as a student, as a lawyer, and as deputy assistant to the Attorney General.

Mr. Bernard Segal, chairman of the Judiciary Committee of the American Bar Association, made a very strong statement in his favor.

I join the distinguished Senator from Colorado in predicting that Byron White will have an eminent career as a member of the Supreme Court. Those of us who have obserevd his duties in the past year and a half certainly wish him well in his new position.

Mr. CARROLL. I thank the Senator from Tennessee for his very kind and gracious remarks. I am sure Byron White would pay a similar compliment to the Senator if he were permitted to do so this evening.

The appointment was more than merely selecting a man who was Deputy Attorney General. It was pointed out in the committee that the appointment was a symbolic tribute to the youth of our Nation. He was not only a skilled athlete, but he was a cum laude student in his academic career. Through his service as Deputy Attorney General, we have had an opportunity for 15 months to examine his integrity of character and devotion to his duties in the high position which he now holds.

This nominee will be one of the finest appointments of President Kennedy.

SUPREME COURT APPOINTMENTS

Mr. RUSSELL. Mr. President, I do not rise to discuss the nomination of Mr. White. I understand his nomination has been unanimously reported by the Judiciary Committee, and knowing the diversity of views of the members of that committee, that fact in itself is a great tribute to the nominee.

I understand the American Bar Association, in its rating of his qualifications, accorded him the highly complimentary rating of especially well qualified. I shall, therefore, vote for his confirmation.

I wish to say just a few words about the composition of the Court in general. We have recently had a very momentous decision by the Supreme Court in the so-called Tennessee case. That case has brought to the fore the question of fair and equal representation as between freemen in this Republic.

Immediately after the so-called Tennessee decision was handed down, the President of the United States, at a press conference, said that the right to fair representation is basic. In my judgment, there is a very large segment of the population of this country that does not have any representation whatever on the Supreme Court of the United States at this time. I am speaking not only of geography, but of legal philosophy.

Millions of people in the United States—and they are not all residents of the section of the country from which I come—have found a great deal of fault with the trend of the Supreme Court in recent years toward expanding the Constitution, playing on it as if it were an accordion, and undertaking to rewrite the Constitution through judicial determination.

Mr. LONG of Louisiana. Mr. President, will the Senator yield at that point?

Mr. RUSSELL. I yield.

Mr. LONG of Louisiana. I invite the Senator's attention to the fact that one of the justices who hails from Louisiana, and who is coming to the District Court of Appeals in Washington, made a speech, after the confirmation of his appointment to a judgeship in the District, in which he spelled out that it was the clear duty on the part of the judiciary to legislate, a clear duty to make changes in our judicial and political way of life, which some of us never believed was the intention of the founders of this form of government.

Mr. RUSSELL. That is what I am complaining about now—the tendency to make sociological rulings on legal matters. I am not complaining about this nominee. As I have said, I know very little of Mr. White, and all I have heard about him is good. I apprehend that, in the beginning at least, being human, his views will be somewhat colored by his associations in the Department of Justice, but he is undoubtedly a man of fine mental attainment; and I trust he will make as great a Justice as the Senator from Colorado [Mr. CARROLL] has indicated.

What I am talking about is appointing to the Supreme Court of the United States at least one conservative. It would not hurt in the least if he were a man who had had some judicial duty and experience. It might help if he had practiced law and had been before the courts, and if his experience had not been confined to merely holding political office.

There are at least 40 or 50 million conservatives in the United States. All I am asking for them is that, when there is another vacancy on that bench, the President give them a one-ninth representation on the Supreme Court of the United States.

We hear much talk about equalizing and equality, but it seems to me the only time we hear talk about equality is when it is going to benefit certain groups, certain individuals, and certain people who come up for election to public office from time to time.

I am speaking now of the basic question of the Constitution of the United States as it is written. It has been many years since a genuine conservative constitutionalist was appointed to the Supreme Court of the United States.

I think people who believe in the Constitution, who believe in such a thing as the doctrine of stare decisis, who believe that some attention should be paid to the precedents of law, who believe in following prior decisions of the Court, are entitled to have one man on that bench.

The Supreme Court is moving into the legislative field. As the Senator from Louisiana has pointed out, a judge has been appointed to the Court of Appeals in Washington who believes the courts should legislate. Those attitudes are gnawing at the very foundations of our Government and are destroying our system of checks and balances that have permitted us to enjoy this goodly life and our civilization.

Why should there not be an old-fashioned constitutionalist, a strict constructionist, on the Supreme Court? Is it because it is feared that his dissenting opinion would sweep the country like a prairie fire, when the people saw in the dissent how far afield the Court had gone in performing its constitutional functions? Is that the reason why there is no strict constructionist, no conservative constitutionalist, on the bench of the Supreme Court? Is it the purpose now to fill the whole judiciary with judges who believe it is their duty to legislate, rather than to decide impartially according to law and precedent?

Mr. President, I think it is a fair and a reasonable request that the next appointee to the Supreme Court of the United States be a strict constructionist and a conservative. I know it is considered something of which to be ashamed, to be a conservative. Conservatives are supposed to duck under a log somewhere. But there are a great many in this country yet who are proud of their conservatism. There are millions in the part of the world from which I come.

Mr. President, I say that those people are entitled to representation on the Supreme Court; and that is particularly true in view of its adventures from time to time in the field of legislation, and in view of the fact that the Court has undertaken to amend the Constitution by judicial decisions on several occasions. The Court has swept aside many laws which the States had enacted, as it did in respect to the Pennsylvania law against subversion in the State. The Court has stricken down laws which let States prescribe requirements for schoolteachers and practitioners of law, as well as other simple requirements of self-government.

I hope the President of the United States, whatever his own personal views may be on these sociological issues and however strongly he may believe it is the function of the Court to legislate, will, when the next appointment is made, let the tens of millions of people—at least 35 or 40 percent of the people of this country—have one-ninth of the representation on the Supreme Court of the United States.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

Mr. MANSFIELD. Mr. President, as one who comes from the Rocky Mountain region, I want to be the first to extend congratulations, best wishes, and good luck to Mr. Justice White.

The PRESIDING OFFICER. The clerk will report the next nomination.

U.S. COURT OF CLAIMS

The legislative clerk read the nomination of Oscar H. Davis, of New York, to be associate judge of the U.S. Court of Claims.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. DISTRICT JUDGES

The legislative clerk proceeded to read sundry nominations of U.S. district judges.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

The nominations confirmed en bloc are as follows:

William B. Jones, of Maryland, to be U.S. district judge for the District of Columbia;

George Templar, of Kansas, to be U.S. district judge for the district of Kansas;

George N. Beamer, of Indiana, to be U.S. district judge for the northern district of Indiana;

John Weld Peck, of Ohio, to be U.S. district judge for the southern district of Ohio; and

Robert Shaw, of New Jersey, to be U.S. district judge for the district of New Jersey.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PEACE CORPS ACT AMENDMENT

The Senate resumed the consideration of the bill (S. 2935) to amend the Peace Corps Act.

Mr. MANSFIELD. Mr. President, what is the unfinished business?

The PRESIDING OFFICER. The unfinished business is the proposed amendment to the Peace Corps Act.

Mr. MANSFIELD. Mr. President, for the information of the Senate, there will be no further business tonight, and no voting. As soon as Senators who have remarks and speeches to make have completed them, it is planned to have the Senate adjourn until 12 o'clock noon tomorrow.

LABOR-MANAGEMENT COOPERATIVENESS IMPROVES CLIMATE FOR INDUSTRY IN WEST VIRGINIA—STATE'S SELF-HELP EFFORTS APPLAUDED

Mr. RANDOLPH. Mr. President, it is my privilege to report a significant event on March 24, 1962, at Parsons, the county seat of Tucker County, W. Va.

On that date, Local Union 1051 of the Textile Workers Union of America, AFL-CIO-CLC, sponsored a recognition event in honor of Richard Rubin, chairman of the board of Dorman Mills, and Hugh Brown, international representative of the Textile Workers Union. The dinner, attended by 255 persons, was held at Parsons High School and was served by the High School Band Parents' Club.

The Dorman Mills plant is the Parsons community's principal source of direct employment. That it has been perpetuated in that status is a tribute to the validity of the program of the Reconstruction Finance Corporation of an earlier era and to the cooperation of the town's own Tucker County Bank and its persevering president, Hubert B. Lake.

I vividly remember that during my first two terms as a Member of the House of Representatives from the district which embraces Tucker County, the Dorman Mills, like many other businesses and industries in that depression period, faced near-bankruptcy. Working cooperatively with management and Mr. Lake, then cashier of the Tucker County Bank, we arranged in 1935 an RFC loan with local bank participation. Instead of being liquidated and closing, the Dorman Mills continued in business, overcame its financial problems, and grew to be a healthy industry.

Mr. Rubin came into the management of Dorman Mills prior to the death of one of its founders, Franklin Dorman, in 1957. After the death of the latter, Mr. Rubin acquired his prior holdings and became chairman of the board, with Mr. Lake assuming the presidency. Approximately $1 million has been invested in new equipment, machinery, and buildings since 1957. With product and market improvement, employment increased from 127 to 212 and Dorman Mills went on a 6-day week, operating around-the-clock with three shifts daily, as of April 2, 1962.

The purpose of the recent celebration, the local union sponsors said, was "to express thanks and appreciation to Mr. Rubin and Mr. Brown for their efforts and results as a consequence of management and union working together to provide nearly continuous work for the union members."

A spokesman for the union's officers said that "in these days of strikes and rumors of strike, it was appropriate to accord proper recognition to men able to cooperate together, and to change any fallacious outside image of labor conditions in West Virginia. The dinner was a demonstration that West Virginia labor unions are interested in working with management for mutual understanding and good relations."

Paul N. King, president of Textile Workers Union No. 1051, presided at the event. Joseph R. Gilmore, member of the house of delegates of the West Virginia Legislature and president of the Parsons Chamber of Commerce, presented framed copies of James Henry Leigh Hunt's poem, "Abou Ben Adhem," to Mr. Rubin and Mr. Brown. President J. Kenton Lambert of the Cheat Valley Development Corp., presented life honorary memberships in the Holly Meadows Country Club to the two honor guests, and noted that, as another mark of progress in the Parsons area, the country club is the only one in the Nation converted from a county poor farm.

The union president and the company president justifiably joined in commenting that "the ideal of the dinner and the splendid fellowship demonstrated serve as good omens of what prospective plant managers can find in labor relations in West Virginia."

Mr. President, I associate myself with those remarks, and I call attention again to a letter I received on November 9, 1959, from John P. Russo, then the plant manager of Metalab Labcraft Division of the Norbute Corp. at Elkins, W. Va.

Before I came to the U.S. Senate, I participated with other citizens in the founding of the Elkins Industrial Development Corp. Among our activities, with Phil Goldman as president, we sought new industries for the county and were successful in procuring the division of Norbute Corp., to utilize both West Virginia natural resources and our citizens' skills and labor. Our industrial development corporation procured a site near Beverly and erected a plant facility. This firm manufactures scientific laboratory furniture and equipment.

Two years after Metalab-Labcraft began operations, I received the communication from Mr. Russo in which he expressed his belief in the industriousness and adaptability of West Virginians.

He reminded me that his firm, at the time of the establishment of the plant in West Virginia, had a backlog of orders which amounted to several million dollars. But, he wrote, "we had no trained source of labor and were in reality engaged in fulfilling these contracts with no qualified personnel," and he then added:

> The most remarkable fact concerning this situation was that we employed immediately approximately 75 persons with no past experience or skills in our industry and within the period of 6 months we produced all of the items required for our backlog of work at that time * * *. To me, as the operating head of this division, it will always stand out as a tribute to the native intelligence and capabilities of the workers in our area. Primarily, our personnel had a background and experience in the mining industry and in timber production. Notwithstanding, we have developed our status in our industry from a new entrant in a very competitive field to a position commanding authority and respect by the leaders in our industry.

Mr. Russo pointed out that he had been in the industry 24 years and during that time had been located in eight different parts of the country where he he had been "exposed" to the qualifications, capabilities, and aptitude of the labor pool in those areas. Then he noted this:

> I say without equivocation that I have never before seen a group of people who have combined their zealousness, attitude, cooperation and native capabilities, to achieve the measure of performance that we have here [in our West Virginia operation] * * * It was expected that the labor supply here would be of such a caliber that a training period would be necessary, and it was calculated that before we reached the competitive level in our industry, insofar as quality of production was concerned, that at least a year would be required. I am delighted to say that it took us just about half that time to arrive at a point in production which made us competitive with others in the industry.

Mr. President, the labor-management experiences relating both to the Dorman Mills at Parsons and the Metalab-Labcraft facility at Elkins, are excellent examples of harmonious relationships which exist within industry in West Virginia.

But these individual examples are buttressed by facts and statistics of a broader nature as disclosed by Secretary of Labor Arthur J. Goldberg in a recent address in Fairmont, W. Va., where Melpar, a division of Westinghouse Air Brake, recently established a new plant.

Secretary Goldberg indicated that some industries might hesitate to locate in West Virginia because of a belief that some areas have been labeled as being "strike happy."

But the Secretary of Labor revealed that during the 8-year period from 1953 to 1960 industry in West Virginia lost an average of only 0.37 percent of total working time as a result of labor-management disputes, or about 1 day per year per employee, on the average. This loss ratio, his statistical report showed, was considerably less than most neighboring States and only slightly above the national average.

While that situation relates to the 8-year average up to 1960, Secretary Goldberg noted that "perhaps more significant in dispelling any notion of strike proneness was the record for the year 1960, the latest for which data are now available."

In 1960, he said, "the strike-loss ratio for West Virginia amounted to 0.10 percent, which was below the level of all neighboring States, and even significantly below the U.S. total of 0.17 percent."

Mr. President, we have suffered from chronic unemployment in severe degree in West Virginia and there has been a substantial attrition in our labor force. These conditions, however, have not been the result of any decline in worker-employer relations. The fact is that the contrary is true. Labor-management understanding and the strike-loss ratio have both improved substantially. Our problems stem principally from the necessarily rapid pace of mechanization in our basic coal mining industry and from automation generally.

To meet competition from other fuels—particularly from foreign residual fuel oil unfortunately permitted by policies of Government to be imported into our country in excessive quantities—our coal industry, not only in West Virginia but in other coal producing States as well, was forced to quicken the pace of mechanization. This accelerated the rate of unemployment in coal and coal-related business and industries in areas of the State where terrain and other factors mitigate against the establishment of replacement industries to provide payrolls and jobs equivalent to those displaced.

We are making progress, even though it is not at the rate necessary to overcome in a substantial degree the high level of unemployment induced by the impact of consistently increasing automation in recent years.

At the time of passage of S. 1991—the Manpower Development and Training Act—I suggested that it might well be a cornerstone of the administration's program for improvement of the economy and as a means to help solve the unemployment problem.

In West Virginia we are vocational training and retraining conscious because we recognize in these programs necessary means to the end of helping to overcome chronic joblessness. As we strive in our State to diversify the industrial complex and to stimulate the economy, we must develop our manpower resources in full measure. We realize this will require extensive retraining of many of our available workers.

I am again reminded of a pertinent editorial comment in the March 4, 1962, issue of the Charleston, W. Va., Sunday Gazette-Mail which pointed out that the problems and hardships of the automation era which have plagued West Virginia are likewise being experienced in some degree in other States—indeed, in some States only recently.

> The development of retraining programs—both for those displaced by mechanization and for youths who drop out of high school—is progressing, and this improves the prospects for attracting new processing and conversion type industries—

The editor wrote.

Mr. President, we need in West Virginia the benefits which accrue from Federal-State participation programs such as the Manpower Development and Training Act and the Area Redevelopment Act. We are also grateful for the Small Business Administration and its helpful loan programs, as well as the activities which stem from the Housing and Home Finance Agency and other agencies and departments of the Federal Government. And we are always hopeful that our industries, our businesses, and our people will be able to participate more equitably in the distribution of defense installation and defense procurement dollars. Some segments of the press malign us for our aspirations in these respects; others suggest that we are discouraged and somewhat unhappy that the administration has not moved faster to provide our State and her people with more of the fruits from the tree of Federal programs. On balance, we know that progress is being made.

Occasionally, however, the sturdiness, the fortitude, and the characteristics of self-reliance of the "Mountaineers" are duly recognized.

In this connection, I call attention to an editorial from the April 7, 1962, issue of the Fairmont (W. Va.) Times which comments on and quotes from interesting editorials from recent issues of the Palm Beach (Fla.) Times and the Annapolis (Md.) Evening Capital. I request unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STATE'S SELF-HELP EFFORTS GAIN RECOGNITION

West Virginians have been accustomed to reading unpleasant things about themselves

and their State—and getting extremely upset about them—for so long that any favorable publicity borders on the realm of headline news.

When this comes from as widely separated communities as Palm Beach, Fla., and Annapolis, Md., such kind attention approaches the classification of sensational treatment. But such is the case, as editorials from those cities forwarded to the Times disclose.

There is sufficient similarity between the two pieces to suggest that the writers might have received identical information concerning West Virginia's efforts to get itself back on its feet. Nonetheless, both make interesting reading for those in this State who feel they have been more than necessarily subjected to the slings and arrows of outrageous fortune.

Here is last Tuesday's editorial from the Palm Beach Times in its entirety:

"During the 1960 presidential campaign, the State of West Virginia was a rather obviously depressed area, and a Senator, John F. Kennedy, made a lot of promises to do something about it if he was elected. He was. All West Virginia had to do was ask Washington for money to get it.

"But the 'Mountaineers' have done things for themselves.

"First came a $7.5 million crash public works program that made jobs for 9,000 persons. It was financed by a 1-cent increase in the State sales tax. It has resulted in improved roads, deepened stream channels, improved parks and recreational facilities, and community cleanup programs.

"Then there was created a division of individual development in the State department of commerce. So far, 46 new industries employing 5,000 persons have been brought in, and 45 industries already in the State have launched a massive expansion program to employ 2,500 more.

"A little more than a year ago, West Virginia had 96,000 jobless, mostly miners. Today the figure has dropped to 63,000—a reduction of 33 percent in a single year.

"The State legislature has established an industrial development authority, with a $2 million revolving fund to provide loans, when needed, to new or expanding industries where unemployment is serious.

"There is a statewide cleanup drive, people are beginning to take pride in the appearance of roadsides, parks and their communities. There are now 12 major regional development organizations, and 79 cities and towns have their own municipal development agencies.

"The State is being sold not only as an industrial center but as a tourist attraction.

"Says Gov. William W. Barron, who took office just 14 months ago, 'We have turned the tide of recession and made our economy more stable, while recovering a sense of purpose and restoring confidence in ourselves and in our State government. We have launched a movement in cooperative planning by self-reliant and very self-sufficient citizens.'

"If this be treason against the national welfare state, let them make the most of it.

"West Virginia deserves the congratulations and the thanks of all Americans."

An editorial in the Annapolis Evening Capital starts out: "Boy! Phone the florist shop and have them send a dozen red roses to the State of West Virginia as a token of our esteem for the way that sovereign State is staging an economic comeback without yelling for huge chunks of Federal money.

"In 14 months since Gov. William W. Barron took office there is, we are told, a new hope and grim determination, plus a lot of applied hard work taking place there in contrast to the despair and gloom that has existed."

Pointing out that West Virginia has not looked to Washington but has undertaken development programs on its own, the Annapolis paper recites the steps taken by this State in its own behalf and concludes: "There is a moral here which is inescapable. Note how little the State has relied on the 'great white father' in Washington. More power to the great State of West Virginia, and boy! better make that two dozen roses instead of one. Those people deserve congratulations. They've showing the rest of the country what backbone and self-help and self-pride really is."

This is the kind of publicity that West Virginia can use in ever-increasing quantities. It's good to know that proper recognition is finally being given us.

STEEL PRICE INCREASE

Mr. HARTKE. Mr. President, it was with a very heavy heart I heard the news of the steel price increase, especially in view of the fact that approximately 20 percent of the steel of the United States is produced in my home State of Indiana.

I believe the people of the United States basically were rather satisfied and felt relieved when the recent announcement was issued to the effect that the steel union and management had entered into a contract, and there was to be no increase in wages, except for some fringe benefits for certain employees. It was felt at the time that the agreement was ably arrived at under the direction and encouragement of the President of the United States, and I compliment him for so doing. The Secretary of Labor, Mr. Goldberg, was also one of the driving personalities who recognized that another steel strike similar to the last one could have only possibly disastrous results for the economic recovery we now have with us.

We observed that immediately after the previous steel strike, at least as a contributing factor to the steel strike, there was to some extent, possibly, an acceleration of the coming recession.

Everyone thought, this time, that the results would be fine and good for the country, and that we could go about the business of orderly planning. This feeling was shattered by the news of the steel companies coming forward with an announcement of an immediate increase in the price of steel, out of proportion to any concept of any individuals or groups as being necessary.

I hope that those who made this decision, on the part of steel management, will reconsider, realizing that they, too, have an obligation to their communities and to society.

Fearful that they may not reconsider, I urge them at least to give consideration as to what they are doing to America. They have complained about losing their competitive advantages and their competitive position with respect to oversea production. I know the sympathy of many people, which was with them when the settlement was agreed upon a few weeks ago, may now be lost at least temporarily, and perhaps, with regard to some, lost forever.

It is an unfortunate thing to happen to the United States, steel being a basic industry. It is an unfortunate thing for the people of the State of Indiana. I say to my friends in the steel industry, "Reexamine your position. Think back."

I am sure that they not alone would have the best wishes of the people of the United States, but also would serve the best interests of their own stockholders if they would reconsider and withdraw the intention to increase the price of steel.

NEED TO RESTORE AMERICAN MERCHANT MARINE

Mr. BARTLETT. Mr. President, I hope the President's message on transportation, recently sent to the Congress, marks the beginning of the end of an era of neglect of our transportation system.

It is perhaps understandable, but nonetheless tragic, that the attention of past administrations and the public should have been diverted from this basic facet of our economic strength and military preparedness by the more dramatic new horizons of space travel and missile weaponry. Therefore, I commend the President who in his message has brought us back to the realities of surface and near-surface movements of men and materials. We have no tools which do more to congeal the various segments of our economy or the forces constituting our military might.

Our economy depends on the ship, the railroad, the truck, the barge, the plane, the bus, and the automobile. We should not neglect these realities in our understandable concern for the orbit and the moon. On the basis of the President's message, I am assured that this will not happen.

Moreover, I feel also that we cannot any longer afford, in the world struggle on basic ways of life, with the intricate role transportation plays therein, the time-consuming luxury of treating our total transportation system as an isolated part of our real strength or the concern entirely of the carriers.

Nothing in America's free enterprise system daily touches more people from Alaska to Florida, from Hawaii to Maine, than our workaday transportation media.

As the President has recognized, we must end the preoccupation of the past which has produced patch-quilt practices and neglected a real system. We must stop plugging this gap in this media one day and another gap in some other media the next, as we have been doing. The time has come to build anew on the basis of what we now have. There is a rich and proud tradition for all America in the pony express, the covered wagon, and ships of sail. Our tools and technology have changed dramatically but our transportation policy remains uncoordinated.

Within this framework I believe the President's message is perceptive and progressive. I endorse much of what he recommends.

Nevertheless, I am struck by the failure of the message to include specific recommendations in several critical areas in domestic shipping. I hope that the lack of concentration results from the pressure of time and is to be corrected and elaborated upon in the near future by a special message on these other maritime matters when the conclusions of governmental studies now underway are available.

Few would dispute that our merchant marine is a vital part of our transporta-

tion system, thus of our national strength and security. Yet today ours is an unbalanced fleet and an inadequate one. This deficiency is all the more obvious in this the most critical era of our Nation's history.

In terms of pure national survival, this shortcoming may be meaningless, but only so if we are convinced that we are on the precipice of a thermonuclear war. Although this route to human disaster is a possibility for which we must be prepared, our people and our President want U.S. military forces to be capable of taking action in any direction and form that international conflict may require, including a so-called limited war or a continuation of the already prolonged cold war. It was, my colleagues will recall, only recently that Mr. Khrushchev announced to the world that international communism's world victory would be economic and would take place through the medium of peaceful production and trade.

Thus, faced as we are with a broad range of types of conflict, America's survival depends on total preparedness against the inroads of Communist aggression.

Part of this preparation demands a more adequate American merchant marine in peaceful, domestic, and international trade, yet better ready to assume burdens that will be thrust upon it in an emergency.

We entered World War II with a grossly inadequate merchant marine for trade or defense, although less so than had the Congress not passed a Merchant Marine Act in 1936. During the war we spent $13 billion on merchant vessel construction, yielding some 5,000 ships. Even at the then low rate of interest on our national debt, it is now costing us some $300 million per year in interest alone on this cost, which could in part have been avoided were we better prepared.

None of my colleagues needs reminding about the valiant role played by merchant shipping and American sailors during that trying period. Perhaps no one was then in a better position to speak about this monumental undertaking than General Eisenhower, who in 1944, in London, said:

> When final victory is ours, there is no organization that will share its credit more deservedly than the American merchant marine.
>
> We were caught flat-footed in both world wars because we relied too much upon foreign-owned and operated shipping to carry our cargoes abroad and to bring critically needed supplies to this country.
>
> America's industrial prosperity and military security both demand that we maintain a privately operated merchant marine adequate in size and of modern design to insure that our lines of supply for either peace or war will be safe.

Quite naturally, when peace came, we sought to dispose of this abundance of vessels and assist in the rehabilitation of the merchant marines of many of the traditional maritime powers. This we did by the process of sale. Incidentally, these sales returned a greater proportion on investment than the disposal of any other wartime asset—843 vessels were sold for American registry and 1,113 abroad.

After World War II, with our fleet then in existence, we carried some 65 percent of our own foreign commerce. By 1950 this had fallen to 43 percent, and now it is down to approximately 10 percent. What further substantiation can I offer that we are yielding our rightful place on the seas?

It is, moreover, interesting to note that even the present participation of our ships in our own foreign trade is substantially prevented from plummeting still farther by the fact that Congress had the wisdom to provide in 1954 that no less than half of Government-generated cargoes be carried in U.S.-flag ships. It has been the single most important instrument in the last decade toward the maintenance of whatever semblance of an American merchant marine we now possess. That principle has been discussed on the floor of this body on many occasions, and the Congress has never failed to endorse it, in spite of opposition from limited segments both here and abroad.

But this principle, as enunciated by the Congress, is only slightly more than an indication of congressional intent. It is administered by each individual shipping agency of the United States Government without any overall guidelines and generally without dedication to more than minimum adherence. The President has stated that all executive agencies have been directed to comply fully with the purpose of the cargo preference laws. In my opinion, it is essential and I would urge the President to see to it that full compliance is actually given and potential benefit of this statute in the national interest is promptly realized.

Immediately prior to the outbreak of war in Korea, our merchant fleet consisted of 1,170 ships of 14 million deadweight tons and constituted 17.3 percent of the world's total. Today, just over a decade later, it totals 973 ships of about the same tonnage but is less than 9 percent of the world's total and it is older than foreign fleets as well.

And it is significant to note that during this same period of the last decade, total international seaborne trade has risen by some 83 percent, and our own waterborne foreign trade has risen by 126 percent. Thus it becomes obvious, as a result of fierce foreign competition and the necessity of maintaining American standards of living, that our fleet does not automatically improve in stature because of an increasing volume of seaborne trade. No small part of this resistance is caused by national policies abroad being pursued at almost any cost and aimed at developing large merchant fleets where none existed before, or to augment the fleets in the traditional maritime countries.

The responsibilities for the creation of an adequate American merchant marine are not exclusively those of the U.S. Government. American management, in partnership with American labor, must assume a large part of this responsibility and in fact play a greater role toward this end than has been the case to date. I am, however, sure that this enlargement of activities on the part of the private segments of the industry will take place when once the Government has publicly reconfirmed its national goals in this area and manifests, with consistency, its willingness and its desire to see these achieved. I can appreciate that unless Government policy affecting the well-being of the maritime industry turns less mercurial than has been the case in the past, that industry with its limited resources and long-term investment requirements is at a disadvantage in proceeding.

There are several specifics about our existing merchant marine that I must call attention to today. They appear paramount among many that must be taken into consideration if our fleet is to progress and be a real part of the Nation's transportation system.

First, our reliance on raw materials for our growing industrial economy depends overwhelmingly on ships. The Department of Defense estimates that there are approximately 75 raw materials essential to our economy and survival which must be imported, some in part, others completely. On the export side, rural America in particular, but actually the entire Nation, must appreciate the significance of sending abroad, in bulk, under established national programs, much of the surplus of our farm production. These import and export requirements along with others require a substantial increase in our almost nonexistent fleet of bulk carriers.

Second, I must address myself to the erosion of our coastal and intercoastal fleets, of which we were once so proud and with which we once were so well equipped, and which because of position were pressed so promptly into wartime emergency service in the past. Hearings were recently held on the decline of this strategic part of our shipping industry. It was reported that just before the outbreak of World War II there was a total of 350 dry-cargo ships in the coastwise and intercoastal trades. It is estimated that by the close of 1960 there remained a total of 70 ships in the same trade, but of that number only 15 vessels remained in the general cargo common carriage. The Interstate Commerce Commission which has regulatory jurisdiction over these carriers reports that early in 1961 another major line in the trade discontinued its service, thereby again substantially reducing the number of vessels in the trade.

This dislocation has contributed substantially to the lack of balance in our total transportation system. It is a wrong that must be righted. The painstaking inquiry into this problem, its cause and effect, referred to earlier was conducted by the Committee on Commerce under the chairmanship of the distinguished Senator from Washington [Mr. MAGNUSON], and on which committee I have the honor of serving.

Six major recommendations were made, none of which in my opinion requires legislative effectuation. Far and away the primary point of the six dealt with ratemaking under the jurisdiction of the Interstate Commerce Commission. I urge the administration to consider effectuating all of these conclusions in

consideration of bringing to our consuming public a more balanced transportation system. I feel, however, that we are grasping at straws in trying to build a sound system if we do not fairly and economically resolve ratemaking issues which are so fundamental to all domestic transportation media.

I also consider that a major consideration of our new look at transportation must include our waterborne domestic trade to the States of Hawaii and Alaska and our offshore territories and possessions, particularly the Commonwealth of Puerto Rico and, likewise, Guam.

The loyal and dedicated Americans of these regions find their economies intricately linked with the continental States primarily but also the rest of the free world by shipping.

Alaska's trade is relatively small today in volume but is vital to its well-being and the realization of its vast potential. We are proud of the progress we have already made. Between 1955 and 1960 the tonnage of the waterborne commerce moving through the ports of Alaska increased over 65 percent, and the value of our trade with Japan has expanded most dramatically in the past few years. Between 1959 and 1960, Alaska imports from Japan increased from $200,000 to over $1.3 million, and exports grew from $2.8 million to $15 million. During these years and earlier, we have been blessed also by a period of labor peace in the maritime trade in Alaska.

Our trade with port cities in the continental States as domestic trade is confined to movements in U.S.-flag vessels. We would not have it otherwise. Perhaps from a very short-range point of view, economies might be realized by opening this movement to any low-cost foreign-flag ships. In short order, however, this would force American-flag vessels off these routes and we would find ourselves dependent on alien vessels and alien loyalties. Thus, we prefer to remain serviced by American-flag ships. But this is not without problems. The complications and costs of offshore U.S.-flag domestic service have resulted in numerous increases in freight rates. In the past 10 years in the Alaska trade alone, five general rate increases have been proposed. Last week for the first time a Federal maritime examiner decided that a proposed rate increase for Alaska was unreasonable at least for the future since the dominant carrier received in excess of 19 percent return on its capital invested in the Alaska trade in 1960. The Commission will now have an opportunity to review the examiner's decision and to determine if some measure of restitution is not due the shipping public for these past years. Similar rate increases have seriously affected the economies of Hawaii and Puerto Rico and Guam. Constantly increasing freight rates may well in the future limit, if not frustrate entirely, the realization of the full potential of these areas, particularly Alaska.

In all fairness, however, I cannot attribute this development entirely to any monopolistic position of an existing carrier in these trades. The water in the noncontiguous trade has been competitively open to all who possessed the initiative and capital to engage in the commerce. During the past 3 years, the Alaska trade has become increasingly modernized with more economical, efficient, and lower-cost barge and containerized service. Later this year train-barge and train-ship service will enter the Alaska trade promising even more efficient service and, it is hoped, lower transportation costs. One may well wonder if these developments would have come to pass without the healthy pressure of economic competition. We are proud that this has been achieved without the Federal Government being involved in the business decision of whether a new carrier or means of transportation should enter the Alaska trade. The Federal Government neither gives the carriers any protective operating rights nor requires the carriers to serve.

Although recent developments such as more effective regulation by the new Federal Maritime Commission and increased modernization of the Alaska trade have brightened our hopes for the future, my constituents are today still caught in a position of having to absorb extremely high freight rates into the economy. Now, this is not unique. The whole westward development of our country faced virtually identical problems except that the distances were not quite so vast and the surfaces involved less liquid. The Government, realizing this, stepped in to breach the gap. The gap is the difference between rates which will not be burdensome to Alaska but must be high enough to perpetuate adequate and dependable service by private U.S.-flag carriers. Again, in my opinion, the only intensely involved party that can play this role and breach this gap is the Federal Government. I have given long and serious thought to the mechanics for implementing this vital objective. The President has asked the Secretary of Commerce to review specifically the costs of service to our noncontiguous territories. I urge the Secretary, and I offer my full cooperation, to press forward in this matter with great speed and come forward with recommendations to accomplish this objective.

This must be done not only in fairness to the citizens of the State I represent, but truly in the interest of the people of the entire United States. There is precious little time to be lost.

We know of our President's concern, in part, because of the community of interest between the United States and the rest of the free world for increasing our export trade and avoiding the serious consequences of economic isolation. In my opinion, it would be a most serious mistake to strive to accelerate our foreign trade while at the same time allowing merchant ships to move farther and farther from American control and American national purpose.

THE ADMINISTRATION SHOULD REVERSE ITS POSITION ON TRADE VETO

Mr. KEATING. Mr. President, in December 1961, anticipating the important debate over new trade legislation, I strongly urged that the administration include in its trade bill a provision allowing the Congress to veto trade agreements which exceed the authority granted to the President to negotiate trade agreements.

In a nutshell, my argument is that the Constitution gives the power to the Congress to regulate trade. The practicalities of administering trade policy in the complex postwar world in which we live have necessitated that broad authority to negotiate trade agreements had to be turned over to the President. However, this authority is turned over to the President only under certain conditions.

Under the proposed trade bill submitted to us, there is no way in which the Congress can determine whether the President exercises this authority with a proper regard for the conditions which the Congress has placed upon him. A congressional veto, by a two-thirds vote, exercised within 60 days of the submission of a new trade agreement to the Congress, is not an unreasonable request. It would give the Congress an opportunity, in an area which the Constitution clearly assigns to the Congress, to indicate its general approval or disapproval of what the President has done.

Mr. President, I have been watching with interest the hearings in the Ways and Means Committee of the other body where an excellent job has been done in making it possible for groups on all sides of the trade issue to have their day in court. I have noted in particular that many of the witnesses before the Ways and Means Committee have supported the general proposal of congressional oversight, of a trade veto. Support for this proposal has not simply come from those who might be called protectionists, it has also come from many who support the President's trade program in general, but who feel that certain changes need to be made in the specific legislation which the administration has proposed.

Mr. President, in January of this year I addressed a letter to Under Secretary of State, George Ball, the principal author of the President's trade program, requesting the administration's views on this recommendation. The Under Secretary's reply dated February 13 indicated opposition. He said in part:

> The negotiation of agreements that will preserve and expand market opportunities for American producers will undoubtedly prove complex and difficult. If they are to succeed it will be essential that our representatives be able to assure their negotiating partners that they are in position to conclude binding arrangements. I am afraid that the element of insecurity implicit in the possibility of a congressional veto could place our side under an almost impossible disability.

I replied to Secretary Ball on the Senate floor several weeks later and pointed out that his argument is a very limited one. The present structure of the Common Market retains a power roughly analogous to the congressional trade veto in the Council of Ministers of the EEC which has supervisory authority over the Commission which

does the actual negotiating of trade agreements.

Furthermore, prior to the creation of the Common Market the Governments of West Germany and the United Kingdom retained to their Parliaments a similar power of oversight in trade negotiations. This is certainly a precedent to which we should give heed. In the cases of Sweden and Japan, both of which are parties to the new GATT agreement announced in March, they received prior authority from their Parliaments to enter into these negotiations. In this instance, the Parliaments granted advance approval for trade agreements under the terms of GATT.

My rebuttal, then, to the administration is on four counts:

First. The Common Market has an analogous power of oversight by a governmental agency other than that which is directly responsible for the negotiating of trade agreements.

Second. Other countries with which we do business retain to their parliaments a similar power of oversight on trade matters.

Third. Congress has a constitutional right to participate to a greater extent in the business of foreign trade. If we are going to give the President new tariff cutting authority, then surely we can take steps also to develop innovations in our trade legislation that will give the Congress some say over what is going on.

Fourth. A trade veto by a two-thirds vote of both bodies of the Congress could only be exercised under extreme conditions, wherein the administration had clearly exceeded the authority granted to it to negotiate trade agreements.

I would make one further point. On March 7 of this year, the administration announced a new tariff agreement with the EEC, the United Kingdom, and 24 other member nations of the GATT. Since it was announced and its terms were given to the press, I have heard little, very little, criticism of the specific terms or overall pattern of this agreement. As an illustration that a two-thirds trade veto would only be exercised under extreme conditions, I am quite certain that there is not sufficient congressional sentiment to veto this agreement—of March 7—by a two-thirds vote of both bodies.

I say this by way of showing that a two-thirds trade veto authority would and could only be exercised under the most extreme circumstances. The fact that the GATT agreement would not have been vetoed or have ever come close to being vetoed by a two-thirds vote is a good case in point.

The power which we are requesting for the Congress is not a power which would be disruptive or diversionary. It is a reasonable request. I am confident that the Congress has the wisdom and the ability in its technical committees to deal with this issue and to make intelligent decisions as to whether the President has adhered to or exceeded the power granted to him by the law to negotiate trade agreements. In a sense, he is negotiating for the Congress, because the Congress has the constitutional authority in this field.

Mr. President, I have made these remarks to bring the Congress up to date as to the controversy, if I may call it that, over the trade veto. While the administration is officially on record as opposed, there seems to be remarkably little opposition in other circles. I therefore want to take this opportunity today to strongly urge that the administration reverse its position now. If this is done, if the administration would promote and support a suitable trade veto provision, I feel certain that such a move would expand congressional support for the President's trade bill in its present form and would make its passage much less difficult. I support trade liberalization. In general, I support the administration's proposal to accomplish this purpose. I feel, however, that the trade veto is the one glaring omission which if included would greatly facilitate the process of passing effective new trade legislation and putting it on the books.

Mr. President, I have prepared appropriate legislative language on the trade veto patterned after the reorganization act which contains a very similar provision. I intend to offer this amendment on the floor of the Senate assuming, of course, that nothing is done on this point either in the other body or in the Senate Finance Committee. However, I would definitely prefer to have the administration reverse its position right away, because I believe that the acceptance of a congressional oversight amendment at this time would materially expand support in the Congress for new and effective trade legislation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 40 minutes p.m.) the Senate adjourned until tomorrow, Thursday, April 12, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 11, 1962:

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Hortense C. Quarles, Tyler, Ala., in place of L. T. Minter, retired.

ARKANSAS

Robert E. Russell, Bentonville, Ark., in place of E. L. Williams, deceased.

John P. Lamb, Brookland, Ark., in place of R. H. Bridger, transferred.

Martha L. Rakes, Cave Springs, Ark., in place of B. H. Fagala, deceased.

Earl L. Pryor, Greenwood, Ark., in place of H. B. Stewart, retired.

Ray M. McCarty, Helena, Ark., in place of J. A. Leighton, retired.

Bert D. Johnson, Jonesboro, Ark., in place of Harry Craig, retired.

Ava D. White, Mount Ida, Ark., in place of W. J. White, deceased.

Corbit White, Strong, Ark., in place of W. H. Gorman, retired.

Fred L. Sullivan, Wickes, Ark., in place of S. M. Higginbottom, retired.

CALIFORNIA

Lorna J. Evovich, Hickman, Calif., in place of Alma Lynn, retired.

John T. Little, Mill Valley, Calif., in place of J. E. McSweeney, retired.

Donald V. Lee, Orosi, Calif., in place of T. S. Powell, retired.

F. Clay Fisher, San Bruno, Calif., in place of D. P. Morrison, deceased.

COLORADO

Floyd C. Bradfield, Cortez, Colo., in place of W. W. Winegar, resigned.

Wallace R. Thompson, Wiley, Colo., in place of B. N. Cramb, resigned.

CONNECTICUT

Philip V. Rokosa, Bristol, Conn., in place of H. C. Polhill, retired.

B. Woodruff Clark, Litchfield, Conn., in place of S. A. Beckwith, retired.

John J. Slattery, Waterbury, Conn., in place of W. J. Phelan, retired.

DELAWARE

Jackie Hickman, Bethany Beach, Del., in place of S. A. Bennett, removed.

FLORIDA

Eugene R. Nelson, Bushnell, Fla., in place of W. T. Eddins, retired.

Allen F. Kendall, Jensen Beach, Fla., in place of W. C. Johnson, retired.

GEORGIA

Henry S. Dickson, Lilburn, Ga., in place of J. T. Jordan, retired.

Hazel J. Shellhouse, Willacoochee, Ga., in place of Lige Corbitt, retired.

IDAHO

Anna G. Bailey, Grand View, Idaho, in place of H. S. Bailey, deceased.

Roy B. Fields, McCall, Idaho, in place of C. L. Burdett, retired.

ILLINOIS

Dru A. Tighe, Aledo, Ill., in place of C. D. Lawson, retired.

Ralph E. Haffenden, Belvidere, Ill., in place of P. I. O'Brien, retired.

Carl W. Mattea, Caseyville, Ill., in place of J. R. Depper, removed.

Sereno Leoni, Highwood, Ill., in place of M. B. East, retired.

Cornelius L. DiPlotti, Taylorville, Ill., in place of S. W. Hershey, deceased.

INDIANA

Dale Hardeman, Lynn, Ind., in place of D. B. Mann, deceased.

IOWA

Herbert D. Wilson, Alden, Iowa, in place of S. G. Douglas, deceased.

Elsie D. Messamaker, Harvey, Iowa, in place of M. M. Bennett, retired.

Harry P. Healey, Victor, Iowa, in place of A. C. Soer, resigned.

KANSAS

Helen I. Ziegelmeir, Gem, Kans., in place of W. R. Riblett, retired.

Ted H. French, Jamestown, Kans., in place of S. E. Murray, retired.

Adolph H. Goetz, La Crosse, Kans., in place of A. E. Elias, retired.

David C. Tippet, Parsons, Kans., in place of R. J. Sharshel, retired.

George I. Althouse, Jr., Sabetha, Kans., in place of G. I. Althouse, retired.

KENTUCKY

Joe W. Treas, Fulton, Ky., in place of N. W. Carter, Jr., resigned.

Manville H. Fryman, Germantown, Ky., in place of F. E. Jordan, deceased.

Marguerite S. Crume, Mount Eden, Ky., in place of M. S. Catlett, retired.

LOUISIANA

Kermit M. Pinsonat, Livonia, La., in place of G. M. Johnson, deceased.

MAINE

Donald Hollister, Hartland, Maine, in place of L. W. Greene, deceased.

MARYLAND

Samuel U. Phillips, Hebron, Md., in place of S. T. Culver, deceased.

MICHIGAN

Reo E. Sievert, Ashley, Mich., in place of Charles Keck, Jr., resigned.

Arthur E. Fleetwood, Beulah, Mich., in place of R. B. Fair, retired.

Daniel J. Brosnan, Dowagiac, Mich., in place of G. A. Stahl, deceased.

Clifford B. Brown, Jr., Stephenson, Mich., in place of G. W. Beaudoin, retired.

John D. Wenzel, Sturgis, Mich., in place of J. E. Luttmann, deceased.

Oliver C. Ley, Williamston, Mich., in place of F. A. Brown, retired.

MINNESOTA

Dayle E. Ray, Barrett, Minn., in place of O. A. Jacobson, transferred.

Marie L. Moore, Castle Rock, Minn., in place of D. W. Burton, deceased.

Lawrence V. Niehoff, New Ulm, Minn., in place of Elmer Backer, resigned.

MISSISSIPPI

Lura A. Johnson, Glen Allan, Miss., in place of E. O. Johnson, retired.

Horace S. Polk, Greenville, Miss., in place of M. C. Johnson, retired.

MISSOURI

Stanley H. Crain, Boonville, Mo., in place of E. A. Williams, retired.

William R. Burk, Canton, Mo., in place of H. M. Ward, deceased.

William W. Evans, Center, Mo., in place of B. F. Coleman, retired.

Mildred B. Vick, Deering, Mo., in place of F. A. Brown, retired.

William C. Blair, Jefferson City, Mo., in place of C. A. Platt, deceased.

Lloyd E. McMullen, Slater, Mo., in place of H. B. Brown, retired.

NEBRASKA

Charles E. Churchill, Fairbury, Nebr., in place of J. B. Page, deceased.

NEW HAMPSHIRE

Charles J. Beaudette, Alton, N.H., in place of A. P. Varney, retired.

NEW JERSEY

Carl A. Brueckner, Allenhurst, N.J., in place of A. G. King, deceased.

Kathryn E. Legg, Dorchester, N.J., in place of F. M. Champion, resigned.

Vincent T. Fagan, Jackson, N.J., in place of F. A. Asay, retired.

Dorothy E. Barth, Landisville, N.J., in place of G. A. Barth, retired.

Isabel B. Lowden, Leesburg, N.J., in place of F. G. Lowden, deceased.

NEW YORK

Erma B. Tenney, Alexander, N.Y., in place of E. R. Harrington, retired.

Marcella J. Lee, Crown Point, N.Y., in place of C. S. Kloos, deceased.

Raymond E. Skinner, Greenwood Lake, N.Y., in place of I. J. Posten, retired.

Robert J. Skebey, Horseheads, N.Y., in place of B. W. Playfoot, retired.

Albert J. Hart, Lynbrook, N.Y., in place of M. A. Cahill, retired.

Margaret M. Vaughan, Rush, N.Y., in place of E. L. Quinn, retired.

NORTH CAROLINA

Wilson L. Fisher, Elizabethtown, N.C., in place of J. K. Clark, retired.

G. Smith Shaw, Ivanhoe, N.C., in place of Fred Simpson, transferred.

J. Frank Smith, Lexington, N.C., in place of S. J. Smith, retired.

Edward L. Clayton, Tarboro, N.C., in place of T. T. Thomas, retired.

John A. Harrelson, Whiteville, N.C., in place of A. E. Powell, retired.

NORTH DAKOTA

Leo A. Roden, Casselton, N. Dak., in place of M. M. Roden, deceased.

OHIO

William F. Wetzel, Jr., Clayton, Ohio, in place of B. M. Lockwood, resigned.

William Lawson, Geneva, Ohio, in place of C. H. Humphrey, retired.

M. Kathryn Swank, Lewisburg, Ohio, in place of W. W. Farra, retired.

Mary L. Walker, Sugar Grove, Ohio, in place of Frankie Junkerman, retired.

Lewis E. Bales, Xenia, Ohio, in place of D. C. Bradfute, deceased.

OKLAHOMA

Romaine S. McGuire, Crescent, Okla., in place of E. A. Blackmon, retired.

Frankie G. Morrow, Konawa, Okla., in place of R. D. Farish, retired.

Marvin F. Anderson, Moore, Okla., in place of D. F. Almack, retired.

Harris R. Underwood, Waukomis, Okla., in place of R. C. Grable, retired.

PENNSYLVANIA

Paul S. Weaver, Blain, Pa., in place of M. F. Woods, retired.

Erma I. Gibson, Bolivar, Pa., in place of H. N. Byers, retired.

Carl F. Englehart, Hunlock Creek, Pa., in place of S. C. Croop, deceased.

George M. Guswiler, Mechanicsburg, Pa., in place of G. C. Dietz, transferred.

Ernest S. Glatfelter, York, Pa., in place of E. A. Barnitz, deceased.

TENNESSEE

Charles P. Carroll, Kingston, Tenn., in place of B. W. Harvey, removed.

William R. Payne, Shelbyville, Tenn., in place of D. B. Shofner, retired.

Tom C. Morris, Waverly, Tenn., in place of R. H. McCrary, removed.

TEXAS

Carroll D. Brice, Bruni, Tex., in place of I. J. Brice, retired.

Joe F. Bennett, Coolidge, Tex., in place of G. N. Sellers, retired.

Thomas H. Finger, D'Hanis, Tex., in place of Alphonse Boog, retired.

Ulman Bruner, Mineola, Tex., in place of D. S. Lankford, retired.

Jacob E. Shoaf, Quitman, Tex., in place of J. T. Morse, transferred.

Billy D. Dockery, Trenton, Tex., in place of W. H. Summers, transferred.

Clifford E. Cummins, Windom, Tex., in place of G. C. Cooper, retired.

UTAH

Robert Q. Strong, Provo, Utah, in place of W. R. Green, retired.

VIRGINIA

Wilson L. Coleman, Bowling Green, Va., in place of F. G. Beale, retired.

Lillie M. Lowman, Iron Gate, Va., in place of L. M. Gertzen, retired.

Jimmie G. Orr, Sr., Pennington Gap, Va., in place of J. W. Newman, deceased.

Joseph T. Crosswhite, Jr., Virginia Beach, Va., in place of H. S. Myers, deceased.

WASHINGTON

Marvin J. Robbins, Burien, Wash., in place of A. C. Klotz, deceased.

Edward B. Pulice, Concrete, Wash., in place of C. M. P. St. John, retired.

Harold F. Evans, Coulee City, Wash., in place of A. J. Twining, retired.

James P. Daley, Zillah, Wash., in place of G. W. Schroeder, retired.

WISCONSIN

Clarence J. Mashak, Bangor, Wis., in place of L. F. Mashak, transferred.

Ralph G. Kadau, Big Bend, Wis., in place of I. W. Henze, Sr., retired.

Robert A. Ruben, Fountain City, Wis., in place of W. R. Hartley, retired.

Allen E. Houle, Wabeno, Wis., in place of F. F. Neider, transferred.

Carl H. Wolff, Wales, Wis., in place of H. B. Mason, deceased.

WYOMING

Thomas A. Sawyer, Sheridan, Wyo., in place of J. R. Gage, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 11, 1962:

ASSOCIATE JUSTICE OF THE SUPREME COURT

Byron R. White, of Colorado, to be an Associate Justice of the Supreme Court of the United States.

U.S. COURT OF CLAIMS

Oscar H. Davis, of New York, to be associate judge of the U.S. Court of Claims, vice Joseph W. Madden, retired.

U.S. DISTRICT JUDGES

William B. Jones, of Maryland, to be U.S. district judge for the District of Columbia, vice F. Dickinson Letts, retired.

Robert Shaw, of New Jersey, to be U.S. district judge for the district of New Jersey, vice William F. Smith, elevated.

George N. Beamer, of Indiana, to be U.S. district judge for the northern district of Indiana.

George Templar, of Kansas, to be U.S. district judge for the district of Kansas.

John Weld Peck, of Ohio, to be U.S. district judge for the southern district of Ohio.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 11, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

James 4: 8: *Draw nigh unto God, and He will draw nigh unto thee.*

Almighty God, grant that in the fellowship of prayer our minds and hearts may be cleansed of all sin and be ennobled and exalted by the purifying power of Thy holy spirit.

In these turbulent and troublous days may we learn the secret of a life that remains unmoved by the miseries and mutations of time and finds its strength and serenity in the sanctuary of the eternal.

We penitently acknowledge that we so frequently surrender cowardly to the epicurean ways of life and allow ourselves to become cushioned in complacency.

Inspire us to always take our stand on the side of that which is good and may we have the courage to follow faithfully the path of truth and righteousness regardless of circumstances and consequences.

Hear us in Christ's name. Amen.